

May 6, 1974

S 7113

cept of reciprocity is introduced into diplomacy. In my view, it is time we drew the line, recognized we cannot be all things to all men, and introduced a bit of reality into these proceedings.

Therefore, I will shortly present to this chamber a bill that would prohibit the shipment of goods or services from U.S. firms either here or abroad to U.S.-owned firms in other countries being forced to do business with Castro's Cuba. My bill would put the teeth back in the trading with the enemy act and take U.S.-owned companies out of the position of establishing foreign policy for this country.

This measure would stipulate our position without interfering with any other nation's right to self-determination. Passage of this bill would make it crystal clear to all concerned that we have no intention of changing our policy toward Cuba until such time as Cuba changes her policy toward the rest of the hemisphere. That may sound like harsh medicine, but harsh medicine seems to be what is required. If the choice lies between corporate profits and the cause of freedom in the Western Hemisphere, there can be no doubt, and I think most every corporate executive would agree with me on this, that the cause of freedom must prevail. For our sakes and for the sake of the freedom-loving Cuban people, I hope that Congress will take the steps necessary to see that it does.

#### NEW HAMPSHIRE BANK COMMISSIONER SPEAKS OUT ON FEDERAL INTEREST RATE CONTROLS

Mr. McINTYRE. Mr. President, the distinguished New Hampshire State Bank Commissioner, Mr. James W. Nelson, recently commented on the manner in which Federal interest rate controls, commonly referred to as "Regulation Q," work against the best interest of the small saver.

I share Jim Nelson's feelings on the unfair impact that Regulation Q has on the average saver and have also spoken out against this Federal policy.

Federal interest rate controls were originally enacted in the hope that their existence would tend to hold down interest rates on loans and particularly with regard to mortgages. Our experience, however, has been just the opposite, and we find ourselves in a situation whereby the small saver is receiving an unrealistically low return on his ordinary savings during a period of record high interest rates.

These interest rate controls only apply to savings accounts of \$100,000 or less and, in effect, allow the wealthy to obtain a fair market price for his savings and, at the same time, the smaller saver is held to a maximum 5-percent interest on his savings account at a commercial bank and 4 percent on a regular savings account in thrift institutions. These present interest rate maximums are totally unrealistic and cannot be justified.

I compliment Commissioner Nelson for the public position he has taken and request unanimous consent that an article

appearing in the Saturday, April 27 edition, of the Nashua Telegraph be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### NEW HAMPSHIRE BANK COMMISSIONER HITS FEDERAL RESTRICTIONS

CONCORD, N.H.—New Hampshire Bank Commissioner James W. Nelson said today federal restrictions on the interest paid on savings accounts give an unfair advantage to the rich.

His pet peeve, and what he sees as the big problem today in the struggle by banks to attract investment money, is Federal Regulation Q. It sets a limit of 5 per cent for the interest commercial banks may pay on ordinary savings accounts, 5.25 per cent for savings institutions.

"Re Regulation Q is undemocratic in that it places at a disadvantage the little fellow," Nelson said.

"Regulation Q is undemocratic in that can pay in interest, but there is no maximum prescribed on deposits of \$100,000 or more. Someone with that kind of money can go in and bargain with the bank. A man with \$100,000 to invest can probably get a 10 per cent on a certificate of deposit," he said.

Besides favoring the rich, Nelson said, Regulation Q drives savings money away from banks because the federal government itself offers a more attractive rate of 8 per cent interest or more on some of its securities.

But that 8 per cent is only for those who can buy in units of \$1,000—or more, if the bills available on a given day happen to be in units of \$10,000 or more, he said.

If banks can't attract enough money at going interest rates from savers, they lack money to loan out—or have to bargain with big investors for much higher rates, and in turn will have to charge high loan interest rates, Nelson explained.

Bank security has been in New Hampshire headlines as the interstate highway system makes it possible for big city hoodlums to rob formerly inaccessible banks and get out of New Hampshire again quickly.

"I myself wonder if we have to go back to the old type bank we had at the turn of the century," with tellers separated from the public by metal and stone counters and grilles, Nelson said.

"If tellers can stay behind bullet proof glass and have access to police through an alarm system, that's all you can do," he said.

#### PUBLIC PROTECTION

He outlined the department's purpose as "protecting the public interest by securing the safety and soundness of banks and by promoting competition." Nelson said the last time a bank failed in New Hampshire was in 1953 when the Valley Trust Co. of Penacook closed. It said it had made loans "considerably over the legal limit" and some loan recipients went bankrupt.

The commissioner said New Hampshire's law limiting branch banks to those within 15 miles of the headquarters bank had helped prevent takeover of the banking industry by out-of-state giants.

Nelson got into banking during the depression when he worked for the New Hampshire Savings Bank Association, a forerunner of the Federal Deposit Insurance Corp. "All the savings banks in the state banded together for mutual protection. It liquidated seven banks and paid off 100 cents on the dollar on them," he said, making New Hampshire one of the states least hurt by bank closings.

Nelson joined the Banking Department in 1942 as an examiner, became deputy commissioner in 1952, and was made commissioner in 1968.

Nelson recalls when his disgust with lack of money as a musician drove him into banking.

Early in the Depression, he was playing clarinet with a band doing a Thanksgiving Eve dance at the armory in Troy, N.Y., on a 60-40 profit split with the management.

"When the dance was over we found the management had run off with all the money. We didn't have a darn penny. We collected five ginger ale bottles, turned them in for 25 cents at a grocery store and had five-cent hamburgers and a cup of coffee at a White Tower. That was our Thanksgiving," Nelson said.

#### DEATH OF MILES C. STANLEY LEAVES A LARGE VOID IN RANKS OF LABOR LEADERSHIP AND IN THE HEARTS OF WEST VIRGINIANS

Mr. RANDOLPH. Mr. President, on Friday, May 3, one of the ablest labor leaders of our Nation died unexpectedly, leaving his friends and associates shocked and saddened. Miles Stanley, president of the West Virginia Labor Federation, was a gentleman and a labor union statesman. His life exemplified character and compassion and courage. His dedicated leadership, in a broad range of worker, community, and education interests was the hallmark of his arduous career. His commitment to that cause which he thought was right and in the public welfare was never in doubt. He presented his case always with earnestness but without rancor.

Miles devoted more than half of his life as an advocate for the well-being of those who toil. He gained wide respect among his adversaries by his gentle manner and reasoned presentations.

At the age of 49, Miles Stanley stood at the pinnacle of achievement in his efforts on behalf of the people of our State and region. In the early 1960's, President Kennedy and our State officials turned to this vigorous and selfless man to help spearhead the endeavors to assess the ills of Appalachia and recommend corrective action. From these studies came the basic structure of legislation creating the Appalachian Regional Commission and similar economic development bodies across the country.

In 1964, Miles was instrumental in creating the AFL-CIO Appalachian Council, an organization composed of State central bodies in a multi-State region. Its purpose, he wrote—

Is to aid the Appalachian poor and secure to disadvantaged regional inhabitants, to the extent possible, the realization of their full economic and cultural potential.

Working in cooperation with employers and funded by the Manpower Administration of the U.S. Department of Labor and the Office of Education, the Council has in the past 5 years recruited nearly 20,000 youth to Job Corps Centers and placed more than 14,000 other trainees in jobs at minimal costs.

Last week, only hours before he was felled by a massive heart attack, Miles was scheduled to meet with Members of Congress as a member of the board of the Appalachia Educational Laboratory. This is a research and development organization he supported strongly because of his belief that in education lies the

key to progress for the children of his beloved mountains.

Miles Stanley was a true champion of the laborer because he moved up through the ranks and understood their needs and aspirations. He was active in the labor movement for more than 31 years, beginning his career as a machinist and serving as recording secretary of his union local. After enlisted service in the Army in World War II, he returned to civilian life and became an officer of his local in the United Steelworkers of America. He was elected local president in 1947.

After serving in a number of official positions with the Steelworkers, he was elected the first president of the State Labor Federation in 1951, following the merger of the American Federation of Labor and the Congress of Industrial Organizations.

Miles Stanley was born in a very modest home of loving parents in Dunbar, Kanawha County. He was a lifelong native of that community, but the scope of his service and dedication to the labor movement extended to the international councils of labor. AFL-CIO President Meany, who selected Miles as an assistant in 1965, has described him as one of the most promising State presidents in the union, and I. W. Abel, president of the United Steelworkers, termed his death "a tragic loss for the Nation, the State of West Virginia, the labor movement and, in particular, the United Steelworkers of America." Members of the Senate Labor and Public Welfare Committee valued his counsel.

Miles Stanley was my cherished friend. I recall that when he was 10 years old, his father brought him to meet me when I was speaking in Dunbar. Young Miles shook hands with me and that was the beginning of a valued friendship.

This morning in Dunbar, I visited with his wife, Romaleda, their three daughters, and his mother, Mrs. Worthy Stanley. Miles was truly a Christian man and his values are reflected in his closely knit family, devotion, love, and understanding.

The passing of Miles Stanley leaves a large void in the ranks of labor leadership and in the hearts of all West Virginians who shared his concern for the human freedom and human dignity of all Americans.

#### QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1974

The ACTING PRESIDENT pro tempore. Under the previous order, the Sen-

ate will now proceed to the consideration of S. 2999, which will be stated.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 2999) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, which was reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

#### TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93-165 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

##### AIRCRAFT

For aircraft: for the Army, \$15,000,000; for the Navy and the Marine Corps, \$37,500,000; for the Air Force, \$120,900,000.

##### MISSILES

For missiles: for the Army, \$47,100,000; for the Navy, \$17,000,000; for the Marine Corps, \$22,300,000; for the Air Force, \$22,900,000.

##### TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$2,000,000.

##### OTHER WEAPONS

For other weapons: for the Army, \$8,000,000.

##### AUTHORIZATION TO TRANSFER FUNDS

SEC. 102. In addition to the funds authorized to be appropriated under section 101 of this Act, there are authorized to be made available by transfer during the fiscal year 1974 to the Department of Defense, out of any unexpended funds appropriated under the heading "Emergency Security Assistance for Israel" in title IV of the Foreign Assistance and Related Programs Appropriation Act, 1974, the following amounts:

##### AIRCRAFT

For aircraft: for the Navy and the Marine Corps, \$63,600,000; for the Air Force, \$33,900,000.

##### MISSILES

For missiles: for the Army, \$19,200,000.

##### TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$38,900,000.

##### OTHER WEAPONS

For the weapons: for the Army, \$200,000.

#### TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93-155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, \$35,898,000.

For the Navy (including the Marine Corps), \$38,523,000;

For the Air Force, \$29,466,000; and

For the Defense Agencies, \$5,016,000.

#### TITLE III—MILITARY CONSTRUCTION

SEC. 301. In addition to the funds authorized to be appropriated under Public Law 93-166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for

operating expenses and maintenance of real property in support of military family housing, an amount not to exceed \$3,866,000.

SEC. 302. The authorization contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93-166), in the same manner as if such authorization had been included in that Act.

This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 3 hours, to be equally divided and controlled by the majority and minority leaders or their designees, with a limitation of 30 minutes on any amendment, except an amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY), on which there is a limitation of 1 hour, and any debatable motion or appeal.

Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. THURMOND. Without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mr. MANSFIELD. I yield myself such time as I need on the bill.

Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. S. 2999 is the pending business.

Mr. MANSFIELD. What is the title of that business?

The ACTING PRESIDENT pro tempore. S. 2999 is a bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

Mr. MANSFIELD. I did not expect to get the full treatment, but I appreciate it. [Laughter.]

Mr. President, I ask unanimous consent that debate on the amendment to be offered by the distinguished senior Senator from Massachusetts (Mr. KENNEDY) begin at the hour of 2 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. That 1 hour be allocated on the amendment, and an hour and a half to be equally divided under the previous unanimous-consent agreement.

Mr. STENNIS. Mr. President, if the Senator from Montana will yield, I will not object, but just on that amendment alone, to be equally divided between the author of the amendment and the Senator from Mississippi, is that right?

Mr. MANSFIELD. That is correct.

May 6, 1974

S 7115

Mr. STENNIS. I thank the Senator very much.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. In other words, the vote on the Kennedy amendment will occur not later than the hour of 3:30 p.m. today.

I thank the Chair and the manager of the bill.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the following people may have the privilege of the floor during the discussion of this bill: John Goldsmith, Catherine Nelson, Don Lynch, Nancy Berg, Edward Braswell, Clark McFadden, and Edward Kenny.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, the Senate now begins consideration of S. 2999, the supplemental military procurement authorization bill for fiscal year 1974.

At the request of Chairman STENNIS, I chaired the hearings on this particular legislation and will handle the bill at this time on the floor.

The committee is recommending a total authorization of \$415,474,000. This is a reduction of \$841,981,000 from the request of \$1,257,455,000, a reduction of 67 percent from the request.

Before outlining the major items in this bill, I would comment on the generally acknowledged purpose of a supplemental request. The Office of Management and Budget's own guidelines for submitting supplementals to Congress are as follows:

No supplemental or amendment (or increase in limitation) will be considered unless the matter is of sufficient urgency to warrant immediate action.

Another general premise for requesting a supplemental is that subsequent actions by Congress have created additional costs which cannot be absorbed within existing funding; also, that the funding of these additional costs cannot be delayed until the next fiscal year.

The items requested in this legislation were judged by the committee in accordance with these "supplemental criteria" as well as on their merits; and we concluded that many of the programs for which funds were requested did not meet the qualification of "sufficient urgency to warrant immediate action."

In an effort to conserve time, may we point out that there is before each Member a copy of Senate Report 93-781. It discusses all the aspects of the pending legislation, and we would hope each Member would refer to this report with regard to specific details.

The committee hearings on this supplemental are also available to each Member.

I would hope that as many Members as possible would read this important report, Mr. President, because I note that only two or three Senators are in the Chamber at this time.

The purpose of this statement is to present the highlights of this legislation as approved by the committee.

#### MIDDLE EAST PAYBACK

Included in this supplemental request is \$155.8 million for what is known as the Middle East payback—the difference between what Israel would pay for the equipment the United States shipped to them and the cost of the new equipment that our forces must buy to replenish our own inventory.

The committee recommends language in this bill which authorizes the transfer of that \$155.8 million for the \$2.2 billion already funded under the military assistance program account as "Emergency Security Assistance for Israel."

The issue being addressed is not the amount that is charged to Israel or any other foreign country for equipment provided out of U.S. inventory, but rather in which account the actual replacement costs are funded.

At the time the committee marked up the supplemental request, the Defense Department advised with respect to the \$2.2 billion that—

Cost data are not yet complete, but it is estimated that these additional approvals (of defense articles and services for sale) will bring the dollar value of items approved and/or supplied to Israel since 6 October to approximately \$1.5 billion.

In that some \$700 million of the total approved had not yet been either obligated or identified for obligation, the committee felt that the additional incremental costs should be borne by the military assistance program—MAP—account.

The committee fully supports the requirement to replace equipment provided to Israel; however, the committee does not agree that the replacement costs should be borne by the military departments and has included a new section 102 authorizing transfer of the \$155.8 million from the "Emergency Security Assistance for Israel."

#### DIEGO GARCIA

The committee deferred without prejudice the \$29 million requested to upgrade U.S. Navy and Air Force facilities on the British-owned island of Diego Garcia in the Indian Ocean.

It is the committee's view that testimony did not indicate any great urgency in this matter. Moreover, because of the complexity of this issue from both a foreign and military policy standpoint, plus the fact there is yet no signed written agreement with the British, who own the island, regarding the status and use of this island, the committee deemed it prudent to defer the matter for more thorough examination in the fiscal year 1975 military construction authorization bill.

#### TRIDENT ADVANCE PROCUREMENT

The committee also recommends deferral without prejudice of the \$24.8 million request for long leadtime components for two Trident submarines in fiscal year 1975, for the following reasons:

In action on the regular fiscal year 1974 defense bill, Congress denied long lead funding for more than a one Trident program for fiscal year 1975.

The contract award for the Trident submarine has slipped.

The Defense Department is now recommending backfit of the Trident I missile into the Poseidon.

Development funding for a new and smaller ballistic submarine, the Narwhal, is now being requested.

The leadtime for materials and equipment has increased dramatically.

Navy shipbuilding programs continue to exhibit delays and cost increases.

The peacetime backlog of shipbuilding is at an alltime high, and the billions upon billions of dollars involved should be watched with more care.

#### INCREASED AIRLIFT CAPABILITY

Programs associated with increased airlift capability in the supplemental are, first, 40 million for the C-141 stretch program; second, \$108.9 million for C-5A/C-141 increased war readiness replenishment spares; and, third, \$19 million for the Civil Reserve Air Fleet modification.

The committee decided that sufficient data had not been supplied to make an intelligent judgment as to both the urgency and the merit of the programs in question and, therefore, recommends that consideration of these programs be deferred until review of the regular fiscal year 1975 budget request.

It should be pointed out that funds requested for these programs in this supplemental, when combined with other programs in this same category recommended in the fiscal year 1975 budget, could exceed \$3 billion.

In particular, it is the committee's view that the Civil Reserve Air Fleet modification, which involves the modification of existing commercial airlines with features that in a contingency would permit their use as cargo carriers, should be deferred because the Air Force, the Department of Transportation, and the Office of Management and Budget are still working on legislation which the Air Force counsel has recommended be enacted prior to implementation of any such program.

#### MILITARY ASSISTANCE SERVICE FUNDED AUTHORITY

The committee recommends denial of a requested increase in the fiscal year 1974 ceiling on obligations from the \$1.126 billion voted last year to \$1.6 billion, because a thorough examination of this program by the committee staff determined that statistical obligations for ammunition which was delivered in prior fiscal years should not have been charged against the fiscal year 1974 ceiling limitation.

This "statistical" reporting method resulted in the reporting during fiscal year 1974 of a \$266 million obligation for ammunition that was actually delivered to South Vietnam in either fiscal year 1972 or fiscal year 1973, and thus reduced the real amount of support available in fiscal year 1974 to \$860 million.

Based on congressional action last year however, it would appear the intent was to provide sufficient obligational authority so as to permit obligation of new fiscal year 1974 funds—\$907.5 million—plus unobligated funds—approximately \$200 million estimated by Defense at that time.

The committee, therefore, points out

May 6, 1974

that the Defense Department could make a change in its bookkeeping procedures which would enable obligation of an additional \$266 million of already appropriated but unobligated prior year funds during fiscal year 1974, without increasing the current fiscal year 1974 ceiling.

The statistical method of reporting may have been valid when United States forces and South Vietnam forces were supported by a common pipeline. However, since U.S. forces have been withdrawn, statistical reporting is completely unsatisfactory. I wish to add that the Department of Defense fully agrees that their cost-accounting records in this situation were, to put it mildly, "cockeyed." The Department of Defense should change its method of reporting obligations under the ammunition program from a statistical basis to a more realistic basis as soon as possible.

This concludes a summary of the highlights of this bill. All of the recommendations contained in the committee report were adopted unanimously, and the bill was reported accordingly.

I would like to take this opportunity to extend my thanks to Chairman STENNIS, Senator THURMOND, the ranking minority member of the committee, and to the entire membership of the committee for their cooperation during consideration of this legislation.

In addition, I would like to express my appreciation to the staff for their fine assistance in reviewing this rather wide-ranging legislation in terms of types of programs covered.

Mr. THURMOND. Mr. President, the Senate Armed Services Committee reports to the Senate today on the fiscal year 1974 supplemental defense authorization bill, S. 2999, which contains \$571.3 million in new authorization.

The administration requested approximately \$1.6 billion in new authority and the committee approved about one-third of that sum. A summary of the funds requested by title and the amounts approved follows:

(In millions of dollars)

	Request	Approved
Procurement.....	1,007.1	458.5
Research and development.....	217.5	108.9
Construction.....	32.9	3.9
Vietnam aid (HASF ceiling).....	(4740)	

Of the \$458.5 million approved by the committee in the procurement request, the committee directed that \$155.8 million, known as the Middle East payback account, be financed from the \$2.2 billion already authorized for emergency security assistance to Israel. The \$155.8 million represents the difference in the cost to the United States for replacement of items transferred to Israel during the October war period.

In the research and development account the committee approved \$108.9 million to cover the October 1973 classified civilian pay raises. The other \$108.5 million requested as a "readiness" supplemental was denied on the grounds that the programs for which these funds

were requested were not of sufficient urgency to justify inclusion in the supplemental.

In the military construction account the \$29 million requested for the naval buildup on Diego Garcia in the Indian Ocean was denied without prejudice. The committee concluded that a buildup of this nature was of sufficient importance to justify more thorough examination in the regular procurement process for the fiscal year 1975 program.

The final item in the bill involved the Vietnam aid program which is shown as the military assistance service funded account. The administration requested that the ceiling be lifted from the \$1.126 billion approved last year to the \$1.6 billion requested in the original fiscal year 1974 account. In denying the increase in the ceiling the committee did approve a change in fiscal year accounting. This change would provide an additional \$266 million expenditure under the \$1.126 billion ceiling with a simple accounting adjustment.

Mr. President, this matter may be explained by noting that \$266 million paid out in fiscal year 1972 and 1973 for ammunition was charged against the \$1.126 billion ceiling authorized for 1974. Thus the committee would allow that the \$266 million be shifted back to the accounts during the period when the expenditure actually took place. This procedure would allow the administration an additional \$266 million in fiscal year 1974. These funds would go chiefly for ammunition, but also for some aircraft replacement and operation and maintenance. Military support costs have exceeded expectations, because South Vietnamese forces have met unforeseen Communist attacks in the current fiscal year.

Mr. President, frankly, it is my view the committee was too severe in its paring of the fiscal year 1974 supplemental request. The Middle East war which came in October of 1973 resulted in a depletion of many U.S. supplies. The war has taught us some lessons which require prompt actions such as acquiring certain types of new equipment and modifying some equipment already on hand.

Mr. President, it would have been my view that more of the approximately \$1.6 billion authority requested by the administration should have been approved. However, I support this bill as presented to the Senate, and urge its prompt passage.

In closing, Mr. President, I want to express my sincere appreciation to the able and distinguished chairman of the subcommittee, Mr. SYMINGTON, for the splendid report he has given, which is very thorough, and also for his unfailing courtesy in the handling of this matter.

I would also like to express my appreciation to majority counsel, Mr. Lynch, who worked on the bill with Mr. Kennedy, minority counsel, both of whom did a fine job.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I simply want to ask whether the committee was in full agreement on this report or not.

Mr. THURMOND. We are in agreement on the report.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, I yield the distinguished chairman of the Armed Services Committee all the time that he desires.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator from Missouri. I shall use only about 5 minutes.

As I understand it, this is time on the bill, and not with reference to the so-called Kennedy amendment. I shall defer my discussion of that until later.

Mr. President, the record shows already, but I repeat now, that I requested the Senator from Missouri (Mr. SYMINGTON) to act as chairman for the purpose of handling this supplemental bill. He conducted the hearings, the markup, and is in charge of the bill on the floor today. The Senator, as my colleagues will recall, handled the authorization bill last year, for fiscal 1974, and this is a supplemental bill to the fiscal 1974 authorization. So he has continued the fine work that he did last year on the 1974 budget, and I want to thank him—for myself and for the membership of the committee—for his work and efforts on the legislative items last year and this one, too.

I do fully support the bill before the Senate today as reported by the committee. Substantial cuts were made in this bill. The committee took the position that no item should be included unless it met the strict test of need for funding on an emergency basis, without waiting for regular consideration in the fiscal 1975 bill.

I want to emphasize that point to the Senate. Congress must protect itself from a supplemental bill for this, and a supplemental bill for that, and for everything that any department of the Government may want, just so they can get the Budget Bureau's approval. We spend about 11 months of our time out of each 12, here in session now. I am not complaining about that, except I complain to this extent: that it keeps us away from our home States, away from our constituents, and away from the problems of those constituents far too much in the course of a year. We are trying to meet that problem by having periodic recesses, which sometimes are called vacations. They are the very opposite of a vacation.

Anyway, I shall not dwell on that now.



May 6, 1974

We just think it should be the rule that committees shall not take up matters as an emergency—and that is what a supplemental bill is—unless they are really emergencies.

One of the Trident submarines, for instance, was deferred without prejudice for the forthcoming regular authorization bill, and that was true with reference to other items that just were not emergencies.

The Diego Garcia project in the Indian Ocean is certainly not an emergency to the extent that it has to be acted on now rather than 6 to 8 weeks later, or even 4 to 5 weeks later.

So those matters were taken out of the bill. I trust that that meets the approval of the Senate and those items will not be brought up in this bill, but will come in for their part of consideration, debate, and votes in the regular annual bill.

I think the Senator from Missouri has spoken, in his opening statement, for the committee with one exception, to which I shall refer briefly. He held the hearings and had a very good consideration of this matter around the table, and it was marked up on the basis of an active consideration.

I also want to pay my respects and my thanks to the Appropriations Committee of the Senate. They would not let themselves be pushed forward, or pushed around, either, with reference to items that were left out of the bill, but said they would have to have an express authorization before they would take up matters like Diego Garcia, the extra Trident, and other matters.

I think that is really the way to approach legislation here. Any other system, except on a real emergency basis, will create chaos, and is not to be tolerated by this body.

Mr. President, there will be an amendment considered this afternoon. I shall not discuss the merits of it now. It is the so-called Kennedy amendment, with reference to the \$266 million for military aid in South Vietnam. It is not new money. That item will be fully debated here this afternoon. The committee approved language regarding that money, and I shall support the position of the committee in that.

I thank the Senator for yielding time to me on the bill, and I gladly yield the floor.

Mr. SYMINGTON. Mr. President, I would like to say to the able Senator from Missouri what a privilege it is to work with him and for him in these matters. I had the opportunity of having it last year, and again this year. He is very fair and very sincere in his position, which impresses us all as we take up what could be the most important part of this year's budget.

I thank him for what he has said about the efforts I have made to handle this matter to his satisfaction, and I look forward to discussing this afternoon the one relatively minor difference we have.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COOK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. MANSFIELD. Mr. President, I yield to the Senator from Kentucky as much time as he desires on the bill.

Mr. COOK. I thank the distinguished majority leader.

#### CAMPAIGN FINANCING

Mr. COOK. Mr. President, the Senate recently passed and sent to the House S. 3044, a bill which would provide for the public financing of Federal primary and general election campaigns as well as significant campaign reform which we had previously passed in S. 372. I think the record will show that I supported the principle advanced by this bill when it was first introduced in the Rules Committee and reported favorably by this committee to the Senate floor. I was one of 20 Members who, along with other Senators, signed the first cloture petition and spoke against the filibuster so that the bill could be voted on on the floor of the Senate.

Unfortunately, during the lengthy debate during which some 100 amendments were submitted, the bill was weakened, and I felt in clear conscience that I was forced to withdraw my support. One of the amendments adopted which gave me concern was the requirement that the income tax returns of Federal employees whose salary exceeded \$20,000 a year would be subject to audit. I did not feel that we had given this matter sufficient consideration before voting for its adoption. Accordingly, immediately following the passage of this legislation, I addressed a letter to the Comptroller General to determine the estimated cost of this legislation and have now received a reply which I would like to place in the Record.

The Comptroller General informs me that he estimates there are approximately 312,000 employees and officials—including military personnel—of the Federal Government having a gross income in excess of \$20,000 a year. Section 503 of S. 3044 would require that each of these returns would be subject to audit. The Comptroller General states that his office has no experience in auditing income tax returns; however, in consultation with the Internal Revenue Service he has found that a cost of \$66.64 is standard for a detailed audit of tax returns of a gross income range of \$10,000 to \$50,000 a year. He assumes that the GAO could perform this audit at the same cost as the IRS estimates that on this basis the audit for 1 year would cost nearly \$21,000,000. This figure does not include the added space rental, equipment, travel and so forth. He further assumes that the estimated cost for 1 year will have to be multiplied by five to arrive at a figure for auditing each return submitted during the 5-year period and arrives at an estimated cost of \$105,000,000 plus space rental, equipment, travel, and so forth.

Mr. President, there is ample argument for the complete audit of the returns of a candidate for Federal office, and if this requirement becomes law, I will, of course, be very happy to comply with the provisions. However, I cannot see how the auditing of the funds of a lieutenant colonel who is stationed in France, or an air force pilot who is flying in Alaska, can in any way have an impact on good or poor campaign procedures. Neither do I believe that the general public wishes to incur a cost of \$105,000,000 to audit such returns.

Mr. President, I favor the reform of our present method of conducting our Federal election campaigns. I believe that the provisions contained in S. 343 passed by the Senate to shorten the period during which these campaigns are held would go a long way to reduce the cost of the campaign itself. I also believe that the provisions of S. 372 to establish significant checks and balances for the conduct of campaigns will satisfy many of the deficiencies which we now find in our procedures, and I urge my colleagues in the House to act expeditiously on these measures.

Mr. President, I ask unanimous consent that the text of the reply to my letter to the Comptroller General be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

COMPTROLLER GENERAL  
OF THE UNITED STATES,  
Washington, D.C., May 3, 1974.

HON. MARLOW W. COOK,  
U.S. Senate, Washington, D.C.

DEAR SENATOR COOK: Reference is made to your inquiry concerning the cost to the General Accounting Office to carry out section 503 of S. 3044, the "Federal Election Campaign Act Amendments of 1974", which was passed by the Senate on April 11.

Section 503 requires the Comptroller General on or before July 1 of each and every year hereafter to make an intensive inspection and audit of the income tax returns filed by each Member of Congress and each employee or official of the executive, judicial and legislative branch whose gross income for the most recent year exceeds \$20,000, for the five previous years.

We estimate that at present there are approximately 312,000 employees and officials (including military personnel) of the Federal Government having a gross income in excess of \$20,000 per year and therefore subject to the audit requirements of section 503.

We have had no experience in auditing income tax returns. However, we have consulted with the Internal Revenue Service and have found that its experience shows a cost of \$66.64 for a detailed audit of a tax return with a gross income range of \$10,000 to \$50,000. Assuming the GAO could perform its work at the same cost as IRS, we estimate that an audit for one year of 312,000 returns would cost nearly \$21 million. To that figure must be added space rental, equipment, travel, etc. We have not been able to make an estimate of the audit of the previous four years. It is conceivable that some economies could be brought about by auditing five years of returns at one-time but we have no experience upon which to base an estimate of any economies that might be achieved. Therefore, we have to assume that our estimated cost for one year would have to be multiplied by five to arrive at a figure for auditing each return submitted during a

May 6, 1974

five year period. This would raise the first year audit cost to \$105 million plus space rental, equipment, travel, etc.

We do not think it is appropriate to require the GAO to perform the auditing work which is already the responsibility of the Internal Revenue Service, particularly in view of the substantial expense involved, and we are, therefore, opposed to the enactment of section 503 in its present form.

The GAO on its own initiative has not been able to make any reviews of the audits performed by the IRS of taxpayers' returns. It is the position of the IRS, with which we do not agree, that no matter involving the administration of the Internal Revenue laws can be officially before the GAO and therefore GAO has no audit responsibility. The Commissioner of IRS in a letter to the Comptroller General dated June 6, 1968, stated:

"\* \* \* I must note that the (chief counsel, IRS) opinion holds that the Commissioner of Internal Revenue is barred by Section 6406 and 6022 of the Internal Revenue Code from allowing any of your representatives to review any documents that pertain to the administration of the Internal Revenue laws. Thus, Federal tax returns and related records can be made available to you only where the matter officially before GAO does not involve administration of those laws."

We are making some reviews of IRS' operations for the Joint Committee on Internal Revenue Taxation which involve the administration of the tax laws. Under this arrangement the IRS has given us complete cooperation but we are considered as performing work as agents of the Joint Committee rather than performing work on our own initiative.

As an alternative to section 503, the Congress could make it clear that the GAO has the authority to audit the work performed by the IRS and the GAO could then make periodic reviews of the audit performed by the Service on individual income tax returns.

Sincerely yours,

ELMER B. STAATS,

Comptroller General of the United States.

Mr. COOK. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. MANSFIELD. On the bill.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. MANSFIELD. On the bill--the time to be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

#### ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION REPORT--MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate a message from the President of the

United States submitting the annual report for 1973 of the St. Lawrence Seaway Development Corporation, which, with the accompanying report, was referred to the Committee on Public Works. The message is as follows:

To the Congress of the United States:

I herewith transmit the St. Lawrence Seaway Development Corporation's Annual Report for 1973. This report has been prepared in accordance with Section 10 of Public Law 83-358, as amended, and covers the period January 1, 1973, through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, May 6, 1974.

#### REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM--MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate a message from the President of the United States submitting the annual report of the United States-Japan Cooperative Medical Science Program, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to send to the Congress the Seventh Annual Report of the United States-Japan Cooperative Medical Science Program.

This joint research effort in the biomedical sciences, undertaken in 1965 following a meeting between the Prime Minister of Japan and the President of the United States, continues to focus upon diseases of both worldwide importance and of special significance to the peoples of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, the parasitic diseases filariasis and schistosomiasis, tuberculosis, and the viral diseases dengue and rabies.

The sustained success of this biomedical research program reflects its careful management and the strong commitment of both nations to its continuation. The increasingly effective research planning and communication between investigators in our two countries has intensified our scientific productivity and strengthened our determination to work together toward better health for all mankind.

RICHARD NIXON.

THE WHITE HOUSE, May 6, 1974.

#### EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. NUNN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RECESS TO 1 P.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until the hour of 1 p.m.

The motion was agreed to; and at 11:50 a.m. the Senate took a recess until 1 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. McIntyre).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 1:30 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, at 1:08 p.m., the Senate took a recess until 1:30 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. McIntyre).

#### MILITARY PROCUREMENT AUTHORIZATIONS, 1974

The Senate continued with the consideration of the bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

Mr. McGEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. McIntyre). On whose time?

Mr. McGEE. Equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNANIMOUS-SENT AGREEMENT ON S. 411, POSTAL SERVICE

Mr. ROBERT C. BYRD. Mr. President, I make the following unanimous consent request, conditioned on the approval of Mr. BEALL and Mr. JAVITS:

I ask unanimous consent that at such time as Calendar Order No. 737, S. 411, a bill to amend title 39, United States Code, relating to the Postal Service, is called up and made the pending business before the Senate, there be a time limitation thereon of 3 hours, to be equally divided between Mr. McGEE and Mr. FONG; that there be a time limitation on any amendment thereto of 30 minutes; that there be a time limitation on debatable motions or appeals of 20 minutes; and that the agreement be in the usual form.

May 6, 1974

The PRESIDING OFFICER. Is there objection?

Mr. SYMINGTON. Mr. President, reserving the right to object, would this in any way interfere with the matter which was being discussed in the cloak room?

Mr. ROBERT C. BYRD. This would in no way interfere with that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10 o'clock Thursday morning the Senate proceed to the considerations of S. 411.

The PRESIDING OFFICER. Without objection, it is so ordered.

**ORDER TO PROCEED TO RESUME CONSIDERATION OF S. 2986, INTERNATIONAL ECONOMIC POLICY ACT OF 1972, ON THURSDAY NEXT**

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 411 on Thursday, the Senate then proceed to the consideration of S. 2986, a bill to authorize appropriations to carry out the provisions of the International Economic Policy Act of 1972, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

**ORDER TO CONSIDER S. 3267, EMERGENCY ENERGY BILL, AND EDUCATION BILL ON WEDNESDAY NEXT**

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, the Senate proceed, at the hour of 10 a.m., to consider Calendar Order No. 758, S. 3267, a bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes, and that at no later than 3 p.m., the Senate take up a bill to amend and extend certain acts relating to elementary and secondary education programs.

I ask unanimous consent that at no later than 3 p.m. it be in order for the leadership to call up either of the two elementary and secondary education bills on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I think that about wraps up my unanimous-consent requests.

It would mean that on Wednesday at 10 the Senate would proceed to the consideration of the energy bill, S. 3267, and would debate that bill until about 3 p.m., at which time the leadership would then lay the energy bill aside and take up one of the elementary-secondary education bills. In other words, the Senate would operate on a double track.

On Thursday, the Senate, at 10 o'clock in the morning, would begin consideration of the postal service bill, S. 411, under a time limitation agreement.

Upon the disposition of that bill, the Senate would take up S. 2986, upon which an order has previously been entered laying it over until Thursday. That is a bill

to authorize appropriations to carry out the provisions of the International Economic Policy Act of 1972.

**ORDER FOR LAYING EDUCATION BILL ASIDE THURSDAY**

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, the then unfinished business, which would be one of the education bills, be laid aside temporarily until the disposition of S. 411 and S. 2986—neither which we will complete—or until the close of business that day, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the leadership on both sides of the aisle, I yield 2 minutes to the distinguished Senator from Wyoming (Mr. McGEE).

Mr. McGEE. Mr. President, I take this opportunity to say only a brief word about the pending matter. The Committee on Appropriations and the appropriate subcommittee, of which I am a member, have gone into great detail on the examination and merits of this particular request for the \$266 million to be validated as a procedural operation. The money has already been authorized in 1972 and 1973, and this proposal is simply to enable the adjustment of the discrepancies that occurred at that time. It has nothing to do with making new moneys available. It has only to do with adding equity in the procedural mechanisms that at first brought up the question regarding the money.

I think it would be unwise for the Senate to strike down this pending request only for the reason that the commitments and the procedures entered had already been undertaken and the process agreed to, in an attempt to correct the inadvertencies of the preceding 2 years. This measure would simply bring the matter up to date, where it would have been had the intent been pursued at that time.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against both sides on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

**INCREASE IN AUTHORITY OF THE SMALL BUSINESS ADMINISTRATION**

Mr. CRANSTON. Mr. President, my amendment to S. 3331 on minority business contained an error in the last sentence. I ask unanimous consent that the third reading and passage of S. 3331 be reconsidered and that all language after "shall be responsible for," in the second sentence be stricken and the following new language be inserted in lieu thereof:

The formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the administration's execution of such programs in the light of such policy.

I have cleared this matter with the minority side. It is just a tactical change, and there is no problem about it.

The PRESIDING OFFICER. Is there objection?

Mr. HRUSKA. Mr. President, I do not know what consultation has been had on this side of the aisle, but we would like to know what is involved before we do something.

Mr. CRANSTON. There has been consultation with Mr. Dompierre of the Republican Policy Committee.

Mr. HRUSKA. What is it about?

Mr. CRANSTON. It is a technical mistake in the last sentence of the bill on small business.

Mr. HRUSKA. On that basis and the representations of the Senator from California, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed, as follows:

S. 3331

An act to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Amendments of 1974".

Sec. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources."

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c) (1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(c)(2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore

or hereafter entered into by the Administration (A) pursuant to sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), and 7(c)(2) of this Act shall be paid into a disaster loan fund; and B pursuant to sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund."

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed \$6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed \$725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed \$525,000,000; and (D) under section 7(i) of this Act, shall not exceed \$450,000,000;" and

(4) by adding at the end of section 7 the following three new subsections:

"(1) (1) The Administration also is empowered to make participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between \$3,500 and \$50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(D) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of that Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allocated to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

"(J) (1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the cost or projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of this Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training

and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individual served.

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and of subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7(j) of this Act, the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of such State or subdivision without reimbursement;

"(2) to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no indi-



May 6, 1974

vidual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of \$100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964 is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3. The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and" and by adding at the end of paragraph (9) the following new paragraph:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness."; and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. (a) Section 7(a)(4)(A) of the Small Business Act is amended by striking out "\$350,000" and inserting in lieu thereof "\$500,000".

(b) Section 7(a)(5)(A) of such Act is amended by striking out "\$350,000" and inserting in lieu thereof "\$500,000".

SEC. 5. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to public complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year."

SEC. 6. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

**"TITLE IV—GUARANTEES**

**"PART A—LEASE GUARANTEES**

"Sec. 401. Authority of the Administration.

"Sec. 402. Powers.

"Sec. 403. Fund.

**"PART B—SURETY BOND GUARANTEES**

"Sec. 410. Definitions.

"Sec. 411. Authority of the Administration.

"Sec. 412. Fund."

(2) by striking out section 403 and inserting in lieu thereof the following:

**"FUND**

"Sec. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed \$10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in

connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part."

(3) by striking out "\$500,000" in section 411 and inserting in lieu thereof "\$1,000,000"; and

(4) by adding after section 411 the following new section:

**"FUND**

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed \$35,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part."

(b) Unexpended balances of appropriations

made to the fund pursuant to section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine.

SEC. 7. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in the light of such policy."

**MESSAGE FROM THE HOUSE**

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2509) to name structure S-5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Fla., as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer for the Central and Southern Florida Flood Control District.

The message also announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 1125) to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism.

**ORDER OF BUSINESS**

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

**MILITARY PROCUREMENT  
AUTHORIZATIONS, 1974**

The Senate resumed the consideration of the bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

**AMENDMENT NO. 1238**

Mr. KENNEDY. Mr. President, I call up amendment No. 1238.

The PRESIDING OFFICER. The amendment will be stated.

May 6, 1974

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 7, between lines 3 and 4, insert a new title as follows:

**TITLE IV—PROHIBITION ON CERTAIN USE OF FUNDS**

Sec. 401. None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. There is a time limitation on this amendment. Is that correct?

The PRESIDING OFFICER. One and one-half hours, to be equally divided.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Dale DeHaan and Jerry Tinker be permitted the privilege of the floor during the debate and the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I yield myself such time as I may require.

Mr. President, the pending amendment has three simple objectives.

First, it prohibits on the date of enactment any further transfer of funds for the Military Assistance Service Fund—MASF—for South Vietnam beyond those already obligated this fiscal year.

Second, the amendment reaffirms the decision of the Congress that the Pentagon must not spend one penny over the ceiling established for this fiscal year—a massive sum of \$1.126 billion—for military aid to South Vietnam, notwithstanding the Armed Services Committee's finding that the Department of Defense wrongly charged \$266 million to this year's ceiling.

Finally, the amendment puts the Pentagon on notice that Congress is tired of the practice of shipping guns and ammunition now, and paying for them later. The amendment, in effect, supports the important recommendation of the Armed Services Committee that the Department must put its bookkeeping on military aid to South Vietnam in order, and that all military supplies delivered to Saigon during 1 fiscal year must be charged to that year's ceiling. For too long, the Pentagon has shipped ammunition to Saigon as if fiscal years did not exist.

Clearly, the question before us today has as much to do with fiscal control as it does with the issue of whether Saigon needs or should have more military aid. The question is whether more money for more guns will come by a vote of Congress or through the back-door. And the question is whether there is any real

purpose in Congress setting a ceiling on spending for military aid to South Vietnam, if the Pentagon continues to spend as if ceilings did not exist—assuming it will always get approval somehow, some way to spend more when it runs out.

Make no mistake about it, if we fail to adopt this amendment the Pentagon will, in effect, be allowed to expend up to \$266 million more—or nearly a quarter of a billion dollars more—above the congressionally mandated ceiling of \$1.126 billion for military assistance to South Vietnam this fiscal year.

On April 10, I requested the General Accounting Office to compile statistics on the totality of U.S. assistance to South Vietnam and Indochina. Regrettably, this has become a difficult task for the GAO, for they have encountered obstacles in obtaining complete and accurate information from the Pentagon on exactly how much it has spent this fiscal year in providing military aid to Saigon. But, according to the best information available to me, it appears that the Pentagon has, to date, already spent close to the ceiling of \$1.126 billion, 2 months before the end of the fiscal year. This includes the new appropriation of \$907.5 million as well as some \$219 million in pipeline and transfer funds authorized for this fiscal year.

The Senate Armed Services Committee, in a commendable effort to review the accounting procedures the Department of Defense has used in the MASF program, has found the Pentagon's bookkeeping system to be in error—to the tune of \$266 million. If we fail to adopt this amendment, the Department will be free to use these misobligated funds this fiscal year.

No other Department is rewarded in such a fashion if it makes a bookkeeping error—after it had already spent the money. If the agencies waging the war on cancer made such an error, they would have to live with their mistake for this fiscal year. Furthermore, there is reason to believe that part of this \$266 million transfer is illegal—according to preliminary questions raised by the GAO.

On April 4 the House of Representatives, on a recorded vote of 177 yeas to 154 nays, barred the Pentagon from raising the ceiling on military aid to Saigon this fiscal year. It did so, in part, because in hearings before the House Armed Services Committee, it became apparent that the Department of Defense had obligated funds for Saigon at a rate which was certain to make them run short in the last quarter of the fiscal year. It was also clear that the Department was trying to do through the back-door what it could not do through the front, and the House voted to reject it. Today the Senate should do no less in rejecting another form of back-door financing and stand with the House for greater fiscal responsibility.

Let us also be clear that the issue before us today is not one that affects our national defense—and hardly one affecting our national security or national interest. And it is not a question of "abandoning" an ally. The American taxpayer is currently spending well over \$2.5 bil-

lion dollars this year in military and economic aid to support the Saigon government—over \$1.126 billion of it in military aid. Such a sum hardly constitutes "abandonment."

It is also not a question of "scratching" South Vietnam, or ending our aid program there. America still bears heavy responsibilities to the people of Vietnam. But these obligations are today less with governments and armies than with people—to the millions of war victims who cry out for our help in relief and rehabilitation.

And, the basic question before the Senate today is really not whether we will allow the Pentagon, by an accountant's slight-of-hand, to spend another quarter billion dollars in South Vietnam—although it clearly exceeds the ceiling set for this year. Rather, the true question before the Congress and the American people is whether this additional amount—and our continuing massive military aid to South Vietnam—truly contributes to the peaceful evolution of the area.

The issue is whether our action today will contribute to a reduction in our continuing involvement in Indochina, or whether it will help perpetuate old relationships and policies at the same old levels.

If the Paris agreements, and peace with honor, are to mean anything, they must mean that our country's involvement and relationship with South Vietnam must change—and change not only from what it was 2 years ago, or 10 years ago, but even from what it was last year.

The ceasefire agreements for Vietnam and Laos—and the persistent hope that renewed diplomacy will achieve a similar agreement in Cambodia—are benchmarks of immense historical proportions. Although conditions are mixed in the field, and many difficult problems remain for all parties involved, I disagree with those who say "that nothing very much has changed in Vietnam." The fact is for the first time in many years, the United States is no longer directly involved. And for the first time in over a decade we have real opportunities to embark on new policies—to change the character and level of our involvement, to reorder our aid priorities, and to finally practice some lessons from the failures and frustrations of the past.

But this hopeful opportunity implicit in the ceasefire agreements apparently is not shared by this administration, which still seeks to maximize American presence and influence in the area, with the old tools of war instead of a new diplomacy for peace and reconciliation.

The dichotomy between the opportunities for change provided by the ceasefire agreements, and the tired policies of the past, is most explicit in the character of the administration's continuing budget requests for Indochina—and its determined effort to ship more guns and bombs to Saigon no matter what Congress says the limit should be.

The administration is still more interested in funding armies than in providing humanitarian assistance to heal the wounds of war. And the budget priority remains with the means of war.

May 6, 1974

rather than with the tools for building peace.

It is argued that this request for more military aid is crucial for the survival of South Vietnam because it is running out of ammunition. But the question must be asked, Why is Saigon running out of ammunition?

According to a recent cable from Ambassador Graham Martin in Saigon it is apparently not entirely due to North Vietnamese violations of the cease-fire. The Ambassador says it was only after, and I quote, "U.S. imposed constraints" and better South Vietnamese "management controls," that the use of American-supplied ammunition dropped at a rate of 20 to 50 percent. In effect, Ambassador Martin confirms what many have observed over the past year, that without some outside constraints on the supply of ammunition, South Vietnamese military commanders will continue to fire their guns just as they have before, as if nothing has changed. There has always been, and there apparently will always be, a strong connection between the availability of ammunition and its use. According to testimony given the Armed Services Committee, the current estimated average consumption of ammunition in South Vietnam is 700 tons fired each day by Saigon troops, at a cost of over \$1 million a day. That is a very explosive and expensive peace.

So the question remains whether the shipment of more arms to South Vietnam will help strengthen the cease-fire agreement, or will it fan the flames of violence. And it is questionable whether shipping more will encourage greater self-reliance and conservation by the South Vietnamese Army, or simply encourage it to use more, not less.

It is argued also that this additional military aid to Saigon is necessary because of inflation—to which I can only say, again, that inflation begins at home. And the Vietnam veteran must wonder at this administration's worry over the effects of inflation in Saigon, when the costs for his schooling or job training climb every day. Apparently the President can find the money to fight the effects of inflation in Saigon, but not to help Vietnam veterans deal with inflation here at home.

Finally, there are some who argue that it would be unconscionable to demand a cutoff or reduction of aid to South Vietnam. The fact is, we are doing neither today.

No one here has demanded a cutoff of aid, or even a reduction in the ceiling established by the Congress. A ceiling is a ceiling, and that is what we are reaffirming here. It was the Pentagon which refused to spend according to the ceiling.

And the issue is not the end of American aid to South Vietnam, but how to encourage a transition in our continuing relationship—from a master-client aid relationship, to a more balanced one that encourages self-reliance rather than dependence.

I believe the Congress acted responsibly last year in limiting our funding of military supplies to the South Vietnamese Army. That wise decision should not now be circumvented. Rather, we

should properly consider any further American military support of South Vietnam in the context of the budget request for the next fiscal year—which, again, will be in the neighborhood of \$1.6 billion. This is a sum for continuing war in Vietnam that is over three times the amount we now spend on the war on cancer here at home—even though cancer will take next year the lives of 350,000 Americans, or seven times the number of Americans who lost their lives in Vietnam over the past decade.

The recent action of the House, coupled with the actions of the Senate over the past year, correctly reflect the view of most Americans that the time has now come for us to reduce our funding of war, not increase it.

In the absence of any new or meaningful diplomatic initiatives by the administration to reduce the level of conflict in Indochina and strengthen the cease-fire agreements—the Congress must act to chart some new directions, and to change the level and character of our involvement in Vietnam. By accepting this amendment the Senate will reaffirm that this is the new road we should follow—not the road that says more guns and more ammunition for an endless war.

Mr. McGOVERN. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I am glad to yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I wish to commend the Senator from Massachusetts for offering this amendment which provides for reasonable restrictions on the amount of American military aid flowing to South Vietnam. I think most Americans would applaud any effort on the part of the Saigon government to heal the wounds of this war and to work out some kind of an accommodation with the people in their country that are challenging that government. But we do not do either the people of Vietnam or ourselves favor when we continue to pour in more and more military aid which only has the effect of prolonging the war.

I think it is quite clear from the available evidence that this military assistance is not being used to restore peace and it is not being used to bring the country back together, but to perpetuate the political rule of the present regime in Saigon.

We did some calculations in our office the other day on the South Vietnamese military budget. That government is now spending what would be the equivalent here in the United States of a \$350 billion American military budget. In other words, for the United States to be spending as much on our military budget as the regime of General Thieu is spending on their budget on a per capita basis, we would have to increase our own military budget three and one-half times.

It is no wonder that the major problem in South Vietnam today is inflation because the expenditure on that level of military outlays will inevitably wreck the economy of that country with the kind of ruinous inflation that is now taking place. It is the kind of aid that does not contribute to the wealth of the country. Mr. President, you cannot eat guns; the consumer cannot go out and feed his

family on bombs or weapons carriers. So we are not contributing things to heal the country and helping them to stand on their own feet. We are further fueling the fires of inflation and setting back the day when South Vietnam can establish the kind of viable economic base that holds any hope for its independence.

So I think the Senator's amendment is in the interest of the people of South Vietnam and in the interest of moving them away from a war that has gone on far too long and which further weakens the people of that country. As the Senator said, it comes at a time when our budget is under a strain and when we are asking the American people to pour in tax funds for military purposes abroad, at a time when those funds are desperately needed to strengthen our own society, not the least of which is meeting the needs of the young men who participated in that war, as the Senator said.

I commend the Senator and I hope the amendment is agreed to.

Mr. KENNEDY. I would like to ask the Senator from South Dakota, who has been spending a good deal of time in his home State, whether the people of his State understand that we are spending in this fiscal year some \$2.5 billion in aid to South Vietnam; whether the people of South Dakota understand the magnitude of that type commitment; and that it appears, given the reasoning and rationale of the letter Dr. Kissinger sent to me in explanation of policy toward South Vietnam, that this apparently is a continuing and open-ended kind of commitment or understanding by the present administration; whether they understand we are going to continue to spend that kind of money in South Vietnam?

I would be interested in what kind of reaction the Senator from South Dakota is receiving from his constituents.

Mr. McGOVERN. I can only say to the Senator that the people in my State who do understand the dimensions of what we are still pouring into South Vietnam are not enthusiastic about it.

As the Senator knows, it is very difficult even for us here in the Senate to keep posted on the way public funds are being spent. Many of these arrangements are worked out by executive discussions, and even we do not catch up with them as fast as we should. But I can say to the Senator that the people in my State are deeply troubled by the mounting cost of living and are deeply troubled by the growing scarcities of things they need. We are basically an agricultural State. We are short not only of fuel but of fertilizer. Everything from baling wire to binding twine is in short supply. Chemicals that produce fertilizer are in short supply.

One of the reasons is that for the last 10 years we have been pouring billions and billions of dollars of the limited resources of this country into Southeast Asia. I think the people of my State and the people of the country as a whole would not object to constructive assistance to make life better for people abroad. It is not that they are isolationist people but the fact they see those resources being wasted on an enterprise

S 7124

## CONGRESSIONAL RECORD — SENATE

May 6, 1974

that they thought had been put behind us nearly 2 years ago.

One of the things that I find disturbing is that our official policy as a country is to stand on the terms of the Paris agreement. That was the so-called "peace with honor" that was supposed to have come some 18 months ago. It is an interesting fact that while that agreement has apparently been violated on both sides, the Government of South Vietnam has made it illegal to publish the terms of that agreement in South Vietnam, whereas the other side, which is supposedly the culprit in this whole enterprise, is distributing the agreement widely. They are encouraging the reading of its terms and coming to a better understanding of it.

I think we had better be advised of what we are doing when we back with further millions of dollars of support a regime that does not want its people to know the terms of the Paris agreement. We ought to be more interested in seeing the agreement enforced rather than bankrolling a regime in South Vietnam that is bent on sabotaging it.

Mr. KENNEDY. I want to thank the Senator from South Dakota for his comments. As all Americans know, this has been an issue and a question about which he has felt deeply, and I think he has made a substantial contribution to the general understanding of the American people with respect to it.

#### ADDITIONAL MILITARY AID TO VIETNAM IS ILL ADVISED

Mr. McGOVERN. It is vital that Congress exercise its constitutional powers to end the further drain on American tax dollars now fueling the continued killing in Indochina. The time has come for healing, reconstruction and accommodation in Indochina. If these healing efforts are to get under way we must stop pouring in billions of dollars in American arms, oil and money to keep the war going.

I ask unanimous consent that an important statement by Mr. Fred Branfman, codirector of the Indochina Resource Center, before the Asia and Pacific Affairs Subcommittee of the House of Representatives May 1, 1974, be printed at this point in the Record:

There being no objection, the statement was ordered to be printed in the Record, as follows:

#### THE NEED FOR CONGRESSIONAL ACTION FOR PEACE IN INDOCHINA

(Statement of Fred Branfman)

##### KEY POINTS

1. The Administration has quietly violated congressional intent to cut economic aid to Indochina in FY 1974. The original Administration request was for \$827.8 million. Congress cut this back to under \$700 million. By the end of FY 74, however, the Administration has wound up allocating \$1.1 Billion in economic aid to Indochina. (See Table 1—p. 28, as well as page 16.)

2. The Administration allocated a total of \$3.2 billion in FY 74 for Indochina, almost as much money as was allocated for specific countries in the rest of the Third World combined. This figure, for example, is 6 times what went to Africa and Latin America combined for economic aid. This was part of the Administration's continuing commitment to combatting local insurgencies, despite a clear public and congressional mandate for non-

interventionism in such insurgencies. (See pp. 4a—8)

3. This Administration commitment to counter-insurgency is inflicting unacceptable costs on the people of Indochina—more war victims in 1973 than the rest of the world put together; and it is a disturbing sign of the lack of Administration concern for its own citizens, as well as others in serious need. Food For Peace shipments to Indochina were increased by \$300 million in FY 74, for example, while hundreds of thousands starved in Sahel. (See Parts III and IV)

4. Congress must "Pause for Peace" by suspending aid pending progress towards political solutions, or at least substantially reduce what are greatly increased Administration requests for FY 1975. Military and "Indochina Postwar Reconstruction" requests have jumped 45%. (p. 19). FY 74 total spending saw only .03% actually going toward "humanitarian", "reconstruction", or "development" projects. (p. 18). The FY 74 budget, therefore, was a war budget—caused by the structural unviability of the GVN and Lon Nol regimes. Administration claims that U.S. aid will allow them to "stand on their own" are myths. (See pp. 18—27)

#### I. INTRODUCTION—CONGRESS AND THE LESSONS OF VIETNAM

As Congress considers this year's giant \$3.7 billion Administration request for U.S. expenditures in Indochina. (see table 1), it will be deciding far more than simply the nature of our Indochina involvement. During the 1960s, millions of Americans turned against the war—in the streets, at the ballot box, in the army. Congress, however belatedly, finally responded to this mandate for peace from the American people.

Powerful congressional opposition to the B52 carpet bombings of urban centers in Christmas 1972 helped force the Administration to sign the Paris Agreement. Congress halted the bombing of Cambodia in August 15, 1973, and passed legislation aimed at ending U.S. support for South Vietnamese police and prisons on December 19, 1973. And, last month, it took the historic step of rejecting an Administration proposal for \$474 million in supplemental military aid for Indochina.

These congressional actions have saved countless Vietnamese, Cambodian and Laotian lives; made billions of dollars available for urgent domestic and humanitarian international needs; reversed what seemed like lock-step progress towards Presidential Dictatorship; and, in a subtle and not yet fully understood way, these congressional actions have begun to restore the spiritual health of a nation torn apart by our Indochina involvement.

By so doing, Congress clearly embarked on a new path, away from Global Policemanship, away from silent and willing partnership in a Presidential Dictatorship, away from war and towards peace. If this process is to be continued during the 1970s, Congress cannot continue to assent this FY 1975 to the same kind of covert Executive involvement that got us involved in Indochina in the first place.

The Nixon Administration has in the past year, however, quietly been subverting this public and congressional mandate for peace in Indochina. Intervening covertly as in the early 1960s, the Administration has initiated a spiral which will bring ever-increasing U.S. escalation unless Congress acts.

During FY 1974, the Administration expended \$2.53 billion in Indochina, only 7% of which was designated for "humanitarian," or "reconstruction" and "development" programs. The remaining 93% went to prop up military regimes which are unwilling to bring peace to their countries. The Thieu government in South Vietnam, for example, has refused all offers by the other side

to negotiate a standstill ceasefire, allow democratic liberties, and form a National Council of National Reconciliation and Concord to help plan elections. As a result, over 75,000 were killed in Indochina last year, 125,000 were wounded, and 1 million made homeless—more war victims than in the rest of the world put together, including the Middle East. (See table 2).

The Administrations FY 1975 program, moreover, offers even more of the same. Its proposed FY '75 military and economic aid requests, total \$3.28 billion—or 27% more than what was allocated last year.

Once more, over 90% of this aid is destined neither for reconstruction nor humanitarian needs but for the maintenance of the war machines in Cambodia and South Vietnam.

And, the Administration's FY 75 program offers even more disturbing visions for FY 76 and beyond. If General Thieu continues to refuse to allow his opponents to participate in the political process outlined by the Paris Agreement, for example, there is every reason to believe that they will feel no choice but to launch an offensive. And what then? Are we to give even more billions to Mr. Thieu in an attempt to repel such an offensive? Is the 200th anniversary of this country to find us convulsed in a national debate over a Presidential attempt to renew U.S. bombing to save Thieu? And even if U.S. bombing is renewed, what reason is there to believe that it will "succeed" next time?

Clearly, this fiscal year 1975 provides Congress with a historic opportunity to ensure that our aid is no longer used for war in Indochina, that the hesitant progress made toward halting our global interventionism be continued.

Congress can achieve these goals by only appropriating aid for Indochina in the letter and spirit of the Paris Agreement. Two means offer progress toward these goals:

(1) A pause for Peace: Congress could suspend all non-humanitarian and non-developmental aid to either side in Indochina until governing bodies emerge which reflect the political realities of the situation. In South Vietnam, this would mean waiting until the political machinery outlined by the Paris Agreement was set into motion, and a newly-formed National Council of National Reconciliation and Concord had gotten off the ground. In Cambodia, this would mean withdrawing from what overwhelming evidence indicates is now a war only among Cambodians, and allowing the Cambodian parties to evolve whatever form of government they will. In Laos, it means absolutely halting all U.S. economic and military inputs which are not approved by all of the parties which have just entered a fragile coalition.

This alternative, we believe, would lead to a major change for peace on the part of all parties concerned within a matter of weeks and would, in the end, result in far less suffering and disruption than any other alternative.

(2) A substantial reduction in non-humanitarian aid: although less likely to bring peace quickly to Indochina, this alternative would also reduce the level of violence and generate pressures on all sides for peace.

It has been contended that such a suspension in aid—or even the more moderate step of a substantial reduction—would deliver South Vietnam "bound hand and foot to the Communists."

It is our contention, however, that present Administration policies can do nothing to prevent such an outcome—and, indeed, are quite likely to produce victory for the guerrillas in any event. All that present Administration programs mean is that there will be millions more war victims, billions more dollars denied people in need, before Indochinese guerrillas eventually seize power



May 6, 1974

militarily because they were outlawed from competing politically.

A suspension or substantial reduction in American aid, such as we are proposing, offers the only hope of moving the conflict away from the military and toward the political arena. The present GVN administration—or a successor—should have no trouble competing politically, if it enjoys the popular support its advocates claim. Nor would it necessarily be precluded from picking up the gun once again, if it turned out that its opponents were not willing to compete politically. Under the Paris Agreement, moreover, Third Force elements would be accorded an important "balancing" role in the political play of forces between right and left.

Under the circumstances, then, Congressional aid designed in accordance with the Paris Agreement offers far less chance of a complete PRG takeover than present Administration policy. And, in Cambodia, a serious American attempt to move the conflict into the political arena offers the only possibility that moderate elements in the Lon Nol cabinet can avoid the complete eclipse an all-out Khmer Rouge military victory could bring.

Congress clearly has a public mandate for such policies. The Administration can point to no substantial group of Americans which supports an admitted expenditure of \$3.7 billion and hidden expenditures totalling many billions more—to continue our futile attempts to impose unpopular military regimes on the people of Indochina. Millions of Americans, however, support the notion that the people of Indochina should be allowed to determine their own affairs; the Paris Agreement provides just such a vehicle for this occurring.

This year could be remembered as the year that Congress finally regained its rightful say in making foreign policy; a year which future Americans would remember as the one in which the Presidential Dictatorship over our country's destinies was significantly altered; in which this country began the slow, painful and long process of turning to peace and healing throughout the world.

If 1976 is to be a year of rebirth, however, Congress must re-cast any U.S. aid requests to Indochina into a form that will bring peace. It can happen . . . this year. It is up to Congress to act.

## II. U.S. INVOLVEMENT IN INDOCHINA—THE GEOPOLITICAL CONTEXT

Before turning to the specifics of U.S. expenditures for Indochina this fiscal year, it is important to remember the overall context in which the Administration is presenting them.

The key issue which Vietnam has symbolized for many is whether the U.S. should intervene to put down wars of national liberation in the Third World. Most Americans have by now decided we should not—for moral or practical reasons, or a combination of both.

The Administration, however, has reached just the opposite conclusion. It is as committed to U.S. intervention to put down local insurgencies in 1974 as was the U.S. presidential branch 30 years ago—and particularly in the East Asia and Pacific region that we are discussing today.

This is why the Administration has stationed more U.S. troops in the East Asia and Pacific region today than in 1964. We have today 173,000 troops stationed from Guam to Thailand, compared to 156,000 in 1964. (Another 33,000 naval troops are afloat in the Pacific.)

This is why 7 disguised and admitted military dictatorships in the East Asia and Pacific regions receive more Administration aid than the rest of the world put together. In its original FY 1974 budget presentation to Congress, for example, the Administration specifically allocated \$3.863 billion for South

Vietnam, Laos, Thailand, the Philippines, Indonesia, and South Korea. By contrast \$2.13 billion was specifically allocated for military and economy aid to 97 other countries in the Third World. Put another way, two-thirds of the Administration's aid worldwide was destined for 7 nations having a population comprising but 10% of the Third World's population.

And this is why the Administration has in FY 1974 allocated so much money to South Vietnam and Cambodia's military regimes, while millions went hungry around the globe:

—In FY 1974, for example, the Thieu government received \$378 million in economic inputs (see table 2). This money that went into the tiny land of South Vietnam, a nation of 18 million, was 50% more than what the U.S. gave to all of Africa and Latin America combined, two continents with 534 million people (\$500 million).

—Also in FY 1974, tens of millions starved and many died from hunger, in the Sahel and Ethiopia. AID contributed some \$130 million in food and non-food emergency assistance, as of February 4, 1974. The Administration, however, has targeted nearly 30 times as much money for Indochina, money which is designed to fight a counter-insurgency.

Particularly reprehensible was an extra \$300 million in Food for Peace money which the Administration added to its original requests for Cambodia and South Vietnam—to compensate for cuts made in economic aid by Congress. The Administration clearly had a choice between using that \$300 million worth of food to shore up military dictatorships in Indochina or to feed starving millions in the Sahel. It chose the former.

This commitment to Global Policing, finally, is why the Administration transferred economic aid money from nations all over the world to Indochina, where such money is designed to help in the counter-insurgent effort. A recent chart supplied to Congress by AID administrator Parker, for example, shows the differences between AID original proposals for economic aid for FY 1974, and their final allocations, in 18 selected countries plus the continent of Africa. The Administration has reduced aid to nations where millions go hungry precipitously—aid to Bangladesh was down 41%, to India down 56%, to Pakistan down 40%, to Africa down 6%. Aid to Vietnam was listed as increasing 10% (our estimate is 34%, see Table 1), however, aid to Cambodia was listed as increasing 273% and aid to Thailand was up 16%. (Source: Hearings Before House Appropriations Committee, Part II, on Second Supplemental Appropriation Bill, 1974, pp. 877-880).

It has been argued that detente has made such counter-insurgency efforts obsolete. There is little evidence to support this point of view, however. The only Third World "success" the Administration has been able to point to as a result of detente has been its ability to carpet-bomb Hanoi and blockade Haiphong Harbor without the Soviet Union or China intervening in response. Besides noting that not initiating World War III due to saturation bombing of a tiny far-off land is a curious measure of success, we should point out that there is no reason to believe that things would have worked out any differently without detente.

More to the point, however, the importance of support from the Soviet Union or China during the early stages of insurgency has always been highly exaggerated. As the Pentagon Papers make clear, such support was almost nonexistent in the very beginning in South Vietnam. And even at the height of the war, only 3% of the military expenditures by all three super-powers in Indochina were those of the Soviet bloc and the Chinese (see Table 3). Furthermore, of course, there have been no signs whatsoever

that the Soviet Union and China have decided to eliminate the relatively minor aid they give local insurgencies—or why they should or would.

The Administration's massive and continuing commitment to counter-insurgency in the 1970's was particularly brought home to me during a visit to Thailand in the spring and summer of last year.

While in Thailand, I interviewed a large number of American officials, including a member of the U.S. counter-insurgency board, a member of the U.S. Embassy political-military sections and members of private U.S.-supported counter-insurgent think-tanks.

I discovered that these officials also feel that Vietnam was a "mistake", that to a man they deride publicly the President's notion that we have extricated ourselves through "Peace with Honor".

But I also discovered, to my dismay, that our failure in Vietnam has not led them to draw the conclusions drawn by most Americans: that we should get out. The only lesson they seem to have drawn is quite the opposite: that we should have gotten in sooner. Time and again I was told that while our cause was just in Vietnam, our means appropriate, we had intervened too late. It was absolutely essential to "get them before they build up", I was told.

Which is precisely what the Nixon Administration is trying to do in Thailand. Unknown to most Senators and Representatives, not to mention the American people, the U.S. Mission in Thailand has recently embarked on an ambitious new counter-insurgency program in Thailand. I was told by an official in the "Pol-Mil" section that it would be modeled after the "Regional Forces" and "Popular Forces" concept in South Vietnam, and involved deploying district and province-level "reaction" forces throughout Northeast Thailand. It would be much smaller than in South Vietnam, this official told me, involving only several million dollars and several thousand men. Other Americans told me, however, that this program was not at all modeled after the RF-RF program, but rather the infamous Phoenix program. Assassination of civilians thought to be working for the other side, selective terror, programs for issuing ID cards to all adults linked to computerized bio-dossiers, and mass arrests—based on quotas—had already been tried out on an experimental basis, I was told.

At this point, I have no way of knowing which source was correct, i.e. whether U.S. officials in Thailand have launched new counter-insurgency programs modeled after the RF or Phoenix programs.

I do know, however, that they are committed to such counter-insurgency efforts—as are their counterparts from Indonesia to Indochina to the Philippines.

What we are seeing today in the East Asia and Pacific region is an Orwellian vision come true, as the leaders of our Executive branch engage in the deadly serious business of mass assassination, mass incarceration, and mass labelling of human beings in a Pacific region inhabited by several hundred million people.

There is no more reason to believe it will succeed than did similar visions of totalitarian control held by American leaders in Vietnam during the early 1960's.

And I know that, just as in the 1960's, Administration commitment to counter-insurgency in the East Asia and Pacific region is inflicting unacceptable costs on Asians and Americans alike.

## III. COSTS TO THE INDOCHINESE

At the end of his request for Indochina funds during his Foreign Aid message last week, the President of the United States said that "the investment I am now seeking (is)

May 6, 1974

an investment to sustain the peace, to overcome the human suffering resulting from the war."

This statement is beyond comprehension. We have already pointed that official figures reveal that more than 1.5 million war victims were created this past year.

To this number of newly killed, newly wounded and newly refugee last year, moreover, must be added:

Several million refugees living in marginal, undeveloped areas to whom the GVN has denied the right to return to the villages of their birth.

Tens of thousands of political prisoners who remain in prison despite the Paris Agreement, and the thousands more who have been arrested, tortured, imprisoned without trial since the ceasefire was signed.

Thousands of people who are suffering and dying from lack of medicine or an adequate diet—in the cities, in the refugee camps, in the villages.

If Congress does not substantially alter the Administration's aid request, one can assume that casualty figures will be at least as high one year from today as during the past year.

That is, Congressional acquiescence to the President's aid request will guarantee at least 50,000 corpses among people who are now alive, in the coming year. At least twice as many will be wounded. And hundreds of thousands—in Cambodia, in South Vietnam—will lose their homes.

For President Nixon to claim that his aid bill is designed to "overcome human suffering" goes beyond mere duplicity, and enters into a realm of Orwellian doublespeak beyond my understanding.

I know that to accept this statement, however, is to acquiesce in a monstrous lie; one which continues to threaten the lives of all Vietnamese and Cambodians, not merely the war victims enumerated above.

#### IV. COSTS FOR THE AMERICAN PEOPLE

The costs to the American people of continuing Executive involvement in Indochina are no less real, though perhaps less evident.

I need not tell U.S. Representatives what \$3.7 billion could do this fiscal year for millions of the ill, aged, infirm, young and deprived in this society. The following examples, however, may make clearer a larger point:

The chairman of this committee, for example, has noted the distressing plight of hospital workers around the country, earning woefully inadequate salaries. Ten thousand workers could have their annual wages raised by over 25% for the \$10 million the Administration is proposing to spend each day in the coming fiscal year.

During fiscal year 1975, the Nixon Administration has reduced federal funding of medical research into diabetes, kidney disease, aging, sudden infant death, glaucoma and cystic fibrosis from \$82.4 million allocated in FY 74 to a proposed \$74.8 million in FY 1975. These diseases affect the lives of well over 15 million Americans, with the U.S. ranking today 16th in infant mortality. The Administration's proposed saving of \$7.6 million will be expended before the next 24 hours are up in Vietnam.

Another serious example is "Public Service Employment", a program which allows tens of thousands of Americans to engage in useful constructive work during periods of temporary unemployment. In FY 1974, approximately \$1.25 billion was allocated to these programs. This year, however, while the Nixon Administration is proposing spending \$3.7 billion in Indochina, it has reduced its FY 1975 Public Service Employment Program by 1 billion to a mere \$250 million.

And, although the Nixon Administration sent well over a million men off to fight in Vietnam, it has not yet been able to provide them with adequate living benefits on their return. Recently, the Senate Committee on

Veterans Affairs proposed raising GI benefits from \$220 a month to \$270 a month, a move which would affect the lives of 1,630,000 veterans in the first year alone. The Nixon Administration is opposing this program. Its cost? In FY 1975, it would come to \$554 million, about the cost of 1½ months fighting in Indochina. The total cost of the program, over a five year period, comes to about \$2.272 billion—about 60% of what the Administration proposes spending in the next year alone in Indochina.

And, we may remember the dismemberment of programs reaching tens of millions of Americans carried out by the Nixon Administration on January 29, 1973 when it unveiled its FY 1974 budget. Proposed savings by abolishing the Office of Economic Opportunity—an agency which had helped millions of poor people in its decade of existence—were \$62 million in FY 1973, \$328 million in FY 1974, and \$390 million in FY 1975. In other words, in order to save \$780 million over a three year period, the Administration chose to abolish OEO. Meanwhile, however, it spent *four times* that sum last year alone for war in Indochina.

Finally, indeed, we may note the fact that virtually all of the programs abolished by the Administration in the fields of social welfare, job opportunities, health and education, resulted in a saving of far less than the \$3.7 billion proposed by the Administration for this year's FY 1975 budget. For example, last year's \$3.2 billion of Indochina spending was \$600 million more than the \$2.6 billion the Administration expected to save in FY 1974 by terminating OEO (\$328 million), reducing child feeding programs (\$59 million), phasing out the Economic Development Administration (\$35 million), eliminating soil and water programs (\$258 million), terminating rural water systems and waste disposal grants (\$100 million), suspending new housing programs (\$305 million), phasing down of the Emergency Employment Assistance Program (\$670 million), cutting back Old Age Survivors and Disability Insurance (\$310 million), manpower training programs (\$334 million), federal student loans (\$264 million) and student subsidies (\$119 million).

I bring up these examples not because I think that foreign policy objectives can always be weighed against domestic needs so directly. There are indeed cases where it may make more sense to send money abroad, than to use it to help our own citizens at home. This year, for example, when there are millions starving in the Sahel and India, flood and storm victims from Pakistan to Nicaragua, a cogent case can be made that such cases deserve urgent priority. And there is also, to be sure, a very strong case for reconstruction and rehabilitation in Indochina.

I bring up these examples of what our Indochina experience is costing the American people, however, because the Administration is doing none of these things. Not only is it not aiding the starving and sick of the earth anything like it might; not only is it not meeting humanitarian and development needs in Indochina; but it even denies its own citizens badly needed billions, only to take this money for use in killing, maiming and torturing abroad.

I have already in testimony before this committee attempted to describe the kind of mentality, shared by the highest Executive leaders in this land, which I saw in Indochina: a mentality which reduced human beings to numbers, numbers to be tracked, jailed and broken if deemed necessary.

My testimony today reveals the other side of the coin. Not only has this mentality created one of the most sophisticated police-states in the world today abroad, but to achieve this the Administration has begun the process of reducing its own citizens to

mere objects, to be manipulated and deprived as well.

I do not think it is necessary for me here to elaborate on the indecency, inhumanity and wretchedness of the present occupants of the Executive branch in following such a policy.

But I feel I must stress again that this question of U.S. aid to Indochina goes beyond mere outrage or shock. It is an issue which directly threatens every man, woman and child in this country, an issue that will in the end determine whether this is a country to be ruled by its people, and, however imperfect, their representatives in Congress; or whether policy will continue to be made by a tiny group of war-makers who turn evermore to deception, as their foreign policy runs ever-more counter to American ideals and values.

The cost of our continuing involvement in Indochina to the people of this country, in a word, is not to be measured merely in financial terms.

What is at stake is no more or less than the spiritual and moral health of this nation.

To understand this point, we may now turn to a consideration in detail of the Administration's FY 1975 aid request.

For only through a microscopic look at this gigantic demand, can we see how duplicitous, how indifferent to human needs, and how war-like our Executive branch has become.

I daresay there is no other administration in the world today which would dare to present a budget over 90% of which is designed for war, and call it a budget for "reconstruction". I know there has never been a time in the history of this country when the American Executive has been so contemptuous of its people and Congress: unilaterally allotting money in direct violation of congressional intent, advancing the crudest sort of propaganda to support its position. The Administration has resorted to the most transparent subterfuge simply to mulct their FY 1975 appropriation out of Congress.

"A nation divided among itself cannot stand," said the President during America's first civil war. The cost to Americans of our continued involvement in Indochina will be continued division during this present, rather quiescent phase, of what has become our second civil war.

#### V. THE ADMINISTRATION'S PROGRAM FOR UNENDING WAR—PRESENTED AS A PLAN FOR PEACE

Realizing public and congressional sentiment for peace and against U.S. involvement, the Administration has sought to present its program to Congress as one designed to heal, rebuild, and bring peace. In fact, however, U.S. aid programs are doing precisely the opposite.

What is more important, moreover, is that there is no end in sight. Henry Kissinger implicitly admitted this recently, when he wrote to Senator Kennedy on March 25, 1974, that "we believe it is important that we continue our support as long as it is needed."

This shockingly open-ended commitment to involvement in Indochina, one year after Mr. Kissinger had negotiated an agreement committing the U.S. to ending its involvement, is sufficient cause for alarm.

When it is realized however, that there is no possibility that pro-U.S. military regimes will ever be able to stand alone, Mr. Kissinger's statement is revealed as nothing less than a commitment to American involvement for decades to come—with the cost of this involvement, moreover, steadily rising.

#### 1. THE FY 1974 PRESENTATION: WAR PRESENTED AS "REHABILITATION" AND "RECONSTRUCTION"

One year ago today, for example, the President of the United States went before Con-

May 6, 1974

gress to present his FY 1974 foreign aid proposals, and stated:

"The signing of the ceasefire agreements . . . will permit us to turn our attention to the considerable post-war needs of Southeast Asia. . . . The legislation I am presenting today . . . would provide a sound beginning of the process of reconstruction and rehabilitation there."

In fact, however, only 4% of the Indochina Aid that President Nixon proposed for FY 1974 was actually designated for "reconstruction and rehabilitation" or "development" (\$121.4 million out of \$2.9 billion—See Table 3). And only another 4% was even termed "humanitarian" (\$107.4 million out of \$2.9 billion).

Ninety-two percent of the Administration-requested funds for FY 1974 were meant to continue the war—both military funds, which were 72% of the total, and "economic" and "Food for Peace" funds, which were indirectly war-related.

Even more importantly, the Administration's aid programs went to feed our narrow-based war machines in South Vietnam and Cambodia, which offered no hopes of peace.

In South Vietnam, President Nixon had announced on January 23, 1973—even before he had signed the Agreement—that his Administration would continue to recognize the Thieu Administration as the "sole" and "legitimate" government of the Republic of Vietnam. In elaborating on this, Henry Kissinger explained that the U.S. would continue to recognize the GVN "with its constitutional structure intact".

This not only directly violates the Paris Agreement, which establishes that there are "two parties" exercising sovereignty only over their respective zones of control, and that neither held sovereignty over the Republic of Vietnam until both—together with a "third segment"—met together in a National Council of National Reconciliation and Control to hold elections.

But the Nixon-Kissinger announcement of their recognition of the GVN as the "sole, legitimate" government of the Republic of Vietnam, also ruled out any serious chance for peace. For the Thieu government's constitution, left structurally "intact," outlaws the PRG from peaceful political competition. By committing itself solely to the Thieu regime, the Administration also ensured no hope for a political settlement because of the nature of that regime. The GVN would hardly favor allowing the refugees to return to PRG-controlled villages, emptying its prisons of its tens of thousands of political prisoners, or allowing popular Third Force leaders to have the freedoms guaranteed them by the Paris Agreement, as long as it could count on an Administration lavishly supplying aid with no conditions.

And the situation in Cambodia is even less amenable to a political solution. In throwing its weight behind the Lon Nol regime, the Administration has managed to produce of the most unpopular, ineffectual, corrupt, and comic-operish regimes in modern history.

Visiting Cambodia last year after the ceasefire, I not only failed to find any Cambodians supporting the Lon Nol regime. I was also told by high-ranking officials in the American embassy in Phnom Penh that Lon Nol had lost even the support of the few groups—students and intellectuals—who had supported him at the time of the 1970 takeover.

More moderate elements within the Phnom Penh regime have made no secret of their distaste for Lon Nol—and he in turn has systematically excluded them from power. The latest casualty was Premier In Tam, who had spoken vaguely of negotiations.

The result is that the Administration has found itself in a no-win situation in Cambodia, spending hundreds of millions annually to prosecute a war which cannot be won.

## 2. FY 1974 IMPLEMENTATION: ADMINISTRATION COVERTLY INCREASES ECONOMIC AID 34 PERCENT

Last year, Congress clearly showed its desire to reduce our involvement in Indochina by cutting the Administration's request for Indochina Postwar Reconstruction from \$632 million to \$450 million.

Through a variety of subterfuges, however, the Administration succeeded not only in restoring the cuts, but in actually spending nearly twice as much for economic aid to Indochina as the Congress had originally intended.

The main means the Administration used for this subversion of Congress was taking money from world-wide Food for Peace allocations and channeling it into Indochina. Since Congress has until now only set world-wide levels, such Administration subterfuge was possible.

Food for Peace for South Vietnam shot up from an original request of \$176.4 million to \$309 million, and for Cambodia from \$30.9 million to \$194.2 million.

In addition, the Administration pushed through two "loans" to South Vietnam totaling \$110 million, and "supplemental" economic aid of \$49 million.

The result is that the Administration proposed a total of \$840.8 million in economic aid to Indochina as of the spring of 1973; Congress reduced this figure to about \$700 million (\$450 for "postwar reconstruction," \$50 million "development loan," \$208.8 "Food for Peace") by Christmas 1973.

The Administration then proceeded to restore all cuts—and then go beyond even its original request, winding up at \$1.1 billion.

This \$1.1 billion, moreover, is used almost entirely for war-related programs and has no impact whatsoever on the reconstruction or human needs of Indochina. Almost half of this money, for example, is for "Food for Peace." "Food for Peace" is imported in South Vietnam and Cambodia by local importers, who pay local currency to the GVN and Lon Nol governments. The Administration has used 100% of these funds in South Vietnam, and 80% in Cambodia, for "common defense" needs, i.e. war.

Most of the remaining money—for the commodity import programs, "technical support" programs, etc.—are similarly used to support the war. They are designed to provide the minimal economic backing necessary for the Thieu and Lon Nol regimes to survive, with much for the local currency generated by the CIP and other programs also finding its way into the budgets of the army, airforce and police.

## 3. FY 1974 IMPLEMENTATION: HUMANITARIAN AND RECONSTRUCTION FUNDS REDUCED

Despite the fact that the "economic" aid has risen, moreover, the actual FY 1974 funds devoted to humanitarian or reconstruction needs has actually fallen. Total funds requested for "humanitarian, reconstruction and development" programs in the FY 1974 original presentation amounted to \$228.8 million. At this writing, however, we have found that the Administration has allocated only \$172 million for what is termed "development," "humanitarian", and "reconstruction".

And even this miniscule amount of aid contains a massive deception of Congress. Of the \$96.4 allocated for "humanitarian" needs, some \$75 million went to "refugee relief." Much of this money pays for "refugee resettlement" which, as former U.S. AID officials Edward Blook and Leon Van Wagoner, as well as the U.S. Senate Subcommittee on Refugees, have recently pointed out, is not humanitarian at all. Rather U.S. and GVN officials have denied refugees the "freedom of movement" guaranteed them under Article 11 of the Paris Agreement, by refusing to allow them to return to the villages of their birth and instead resettling them in

marginal areas, often without water and decent farming land, so as to claim this land for "strategic reasons".

Of a total of \$3.2 billion appropriated by Congress in FY 1974 for Indochina-related expenses, then, only 96 million, or 3% has actually gone to meet the humanitarian and reconstruction needs of the people. The rest has gone—directly or indirectly—for more war.

## 4. REQUESTS FOR INCREASED FY 1974 AID: FOUR ADMINISTRATION MYTHS

Since FY 1974 aid was not designed either to meet the human needs of the people of Vietnam, nor to lead to a political solution, it is not surprising that the Administration's FY 1975 aid requests far exceed FY 1974 allocations.

Just one week ago, on April 24, the President unveiled his FY 1975 budget proposal for Indochina. This year, this section of the President's Foreign Aid speech was entitled "Toward Reconstruction of Indochina". In it, the President requested \$939.8 million for "Postwar Reconstruction", more than double last year's \$450 million allocation.

Other Administration documents reveal, moreover, that the President intends to ask for \$2.1 billion in military aid for FY 1975, an increase of 42% over last year's military appropriations.

The only major category which did not jump up spectacularly for FY 1975 was the Administration's "Food for Peace" request, which was only \$260 million, about half of the FY 1974 allocation. Last year at this time, however, the Administration only requested \$208.8 million for "Food for Peace." Since it eventually grew to \$507 million, there is no doubt that this year's request could grow similarly over the next 12 months.

Depending on one's measure, therefore, the FY 1975 Administration request represents an increase over FY 1974 allocations of varying degrees:

1. Overall, the jump is from \$3.2 billion in FY 1974 to a requested \$3.7 billion in FY 1975—an increase of 16%.
2. Total economic and military inputs into the three countries of Indochina have increased 30%, from \$2.5 billion to a requested \$3.2 billion.

3. The most real measure of the increase, however, comes from ignoring the preliminary "Food for Peace" estimates for FY 1975. Comparing "Indochina Postwar Reconstruction Aid" funds, with "Military Assistance Service Fund" and "Military Assistance Program" funds, we find an increase from \$2.08 billion to \$3.02 billion, a jump of 45%.

This large increase in requested FY 1975 aid has resulted entirely from the weakness of the Administration position in Indochina. Unable to triumph militarily, but unwilling to try and compete politically for fear of losing, the Administration is doing little more right now than simply more of the same.

Unable to admit this to the American people and Congress—and perhaps to themselves—however, Administration officials have instead attempted to present this year's aid requests in the best possible light. The essence of their position is that if these aid requests are passed, they will both give the GVN and Lon Nol government a "fair chance" against the weapons supplied the other side by the Soviet Union and China, and also make them economically and militarily viable so that they will not demand American aid 3 or 4 years from now.

Unfortunately, such arguments by the Administration are little but myths.

Myth (1). Administration Programs are made necessary by our "commitments" under the Paris Agreements. On March 25, 1974, Henry Kissinger wrote to Senator Kennedy that "as a signator of the Paris Agreement . . . the United States committed itself to strengthening the conditions which made the

May 6, 1974

ceasefire possible . . . with these commitments in mind, we continue to provide the Republic of Vietnam with the means necessary for its self-defense and its economic viability."

The American people have been given many reasons in public for our involvement in Vietnam over the years: there was the domino theory, the Gulf of Tonkin, the Seato treaty, the "Yellow Peril" scare, and the ever-popular commitment to allowing the Vietnamese people the right of self-determination."

In fact, as the Pentagon Papers reveal, all of these public rationales were mere sugar-coating for what former Assistant Secretary of Defense John McNaughton described as 70% of our goal: "To avoid a humiliating defeat (to our reputation as a guarantor)." McNaughton also stated that only "10%" of our "aims" were to "permit the people of SVN to enjoy a better, freer way of life."

Of all the previous untruths, however, none is more absurd than Mr. Kissinger's. The notion that the Paris Agreement serves as a rationale for our continued intervention is plainly untrue.

Article 1 of the Paris Agreement states that "The United States . . . respect(s) the independence, sovereignty, unity, and territorial integrity of Vietnam." By signing this, the Administration conceded on the crucial point of debate over the years: Vietnam is one country, by definition wrought by a civil war. Continuing U.S. involvement in Vietnam, therefore, constitutes blatant intervention in a civil war, one recognized by international law and common sense to be illegal.

If there was any doubt on this question, moreover, Article 4 of the Paris Agreement removes it. Article 4 states that "The United States will not continue its military involvement or intervene in the internal affairs of South Vietnam." In signing the Agreement, therefore, the Administration was making a solemn commitment to end our involvement—military, political, and economic—in South Vietnam, i.e. the zones controlled by President Thieu, as well as by the PRG.

For Mr. Kissinger to now claim that this Paris Agreement in fact "commit(s) the U.S. to further and massive involvement represents one of the most grotesque and twisted myths ever put forward to the American public as a reason for intervention abroad.

Myth (2): This substantial amount of aid will suffice to launch the GVN on the road to economic recovery, allowing us to reduce our aid substantially in the next 2-3 years.

Recently, for example, the U.S. Ambassador to Saigon Mr. Graham Martin stated that, "If . . . the Congress approves the \$50 million dollars I have recommended for fiscal year 1975, plus approximately 700 million dollars for the following year, I am convinced further economic aid from the United States could be drastically reduced or even eliminated altogether by fiscal year 1977." (U.S. News & World Report, April 29, 1974).

All available evidence suggests precisely the opposite, however. The World Bank, for example, recently completed a survey for South Vietnam's economy. In its report, dated January 28, 1974, World Bank experts concluded that ". . . net aid required in 1980 will be on the order of \$770 million a year or about \$100 million higher than seems probable for 1974. In short, it seems probable that Vietnam is at least a medium 'long haul' case as far as foreign aid is concerned. For what it is worth, as a purely arithmetical exercise but with about the same parameters we have mentioned above, by 1990 the external resource gap would close by about \$300 million a year to about \$450 million." (Source: "Current Economic position and prospects of the Republic of Vietnam" a World Bank Study Mission, January 28, 1974, page 34).

Mr. Martin is also rather disingenuous about the total amount of funds necessary to get the Thieu economy back on its feet again. For example, he states in the same interview that "We were able to give only 300 million dollars" in economic aid to the Thieu government in FY 1974.

In actual fact, however, AID provided a chart to the House Government Operations Subcommittee on March 20, 1974, indicating that the U.S. had actually provided \$708.5 million in "economic and humanitarian assistance to Vietnam, fiscal year 1974." (House Government Operations Subcommittee, Second Supplemental Appropriation Bill, 1974, part II, page 860). This figure, moreover, does not include a \$60 million "loan" and \$49 million supplemental appropriation expected to pass Congress for FY 1974, and an extra \$59 million "Food for Peace" money.

Thus the U.S. is supplying \$878 million to Thieu's economy this year, not only the \$300 million that Martin suggests.

Mr. Martin's \$850 and \$700 million figures, moreover are based on the assumption that the fighting does not drastically increase in the next year or two. In fact, however, escalation is not only possible but probable, given the refusal of the GVN to even test the other side's offer for a ceasefire and political settlement.

Myth (3): Our aid is "defensive", designed to off-set weapons given the other side by the Soviet Union and China.

The only official figures of Soviet and Chinese military aid to North Vietnam of which I am aware are for the years 1965-68, and 1970 and 1971. For these 6 years, during which hundreds of thousands of U.S. ground troops were fighting in Indochina, and the U.S. airforce dropped well over 5 million tons of bombs, U.S. military expenditures were estimated to total roughly \$90 billion. During these same 6 years, source Soviet and Chinese military aid combined was estimated to total roughly \$2.245 —or roughly about \$380 million a year, or roughly 1/30 the amount of armament, we funneled in.

Since the ceasefire, moreover, Soviet and Chinese aid has reportedly been substantially reduced. Mr. Martin himself, for example, stated on January 16, 1974, that the Soviet and Chinese "are not resupplying them (Hanoi) with massive weapons of war as they have continuously over the past years." (CONGRESSIONAL RECORD, E2122, April 4, 1974.)

Given this fact, it is fair to assume the Soviet and Chinese military aid to its allies may be on the order of \$1-200 million, or less for the coming fiscal year. At the same time, however, we find the Administration proposing \$2.03 billion or 10-20 times as much military aid to the Thieu and Lon Nol regimes, as well as \$463 million more for U.S. forces in the area.

Indeed, the Soviet and Chinese could turn this equation around and argue that they are in fact only supplying their allies to protect them against the vastly greater quantity of arms given the Thieu and Lon Nol governments. This case can be made even more strongly, moreover, by noting that many of the most expensive items in the other side's inventory, e.g. SAM missiles, are quite clearly defensive weapons; or—as in the case of Soviet-supplied MIGs for the North Vietnamese air force—they are weapons which have historically been used defensively.

Many of the most expensive items we supply our allies in Indochina however e.g. airplanes, spare parts of bombs, are often used offensively. Numerous western journalists visiting PRG zones since the ceasefire, for example, have reported GVN bombing deep inside numerous PRG zones, where no PRG military activity was taking place.

The thesis that our military aid is not at all geared to the threat from the other side, moreover, is strengthened by a comparison of

our military aid to the GVN in calendar years 1972 and 1973.

In CY 1972, we supplied \$2.383 billion in military aid to the Thieu regime. In that year 39,587 ARVN soldiers were killed. In CY 1973, ARVN casualties declined by two-thirds, to 13,822. This substantial decline in casualties helps to substantiate the universal opinion that fighting was substantially lower in 1973 than it was in 1972. And yet U.S. military aid to the Thieu regime totalled \$2,271 billion in 1973, precisely as much as it had been in 1972 when the fighting had been much higher. (Source: AID figures supplied to Con. Abzug, Feb. 20, 1974)

All evidence indicates, therefore, that the amount of U.S. military aid given to the Thieu government is determined more by the constant size of the GVN army 1.1 million—men—than by the amount of aid supplied by the Soviet Union and China to their allies.

Myth (4): Administration FY 75 aid requests will allow pro-U.S. regimes "stand on their own feet", thereby allowing the U.S. to walk away in a matter of years.

At the end of his request for economic aid funds for Indochina last week, the President stated that "the investment I am now seeking (is) . . . to give the people of Indochina a chance to stand on their own feet."

Graham Martin, in the interview referred to above, was even more explicit about the time required for the "to stand on their own feet": "How do we end our involvement? . . . I have said our objective should be to end it leaving a Vietnam economically viable, militarily capable of defending itself with its own manpower, and free to choose its own government and its own leaders. I believe this can be done within the next three years."

These optimistic and idealistic pronouncements are reminiscent of former predictions of a "light at the end of the tunnel". And, as in 1961, as in 1964, these predictions cannot and are not substantiated. All available evidence, indeed indicates exactly the opposite.

Thieu's opponents are, if anything, stronger since the ceasefire. Numerous reports from western journalists indicate that the PRG has begun building up its economy, reconstructing its bomb-leveled communities in the zones under its control. The relative prosperity, cleanliness, and lower prices in its rural villages, moreover, have astonished numerous outside observers who have visited its zones.

The PRG has, moreover, seized the political initiative. On my recent trip to Saigon, for example, one friend explained it this way: before the ceasefire, both sides meant war. You might be for the PRG, but to join it meant to opt for a difficult and dangerous life. Since the ceasefire, however, Thieu has continued to call for war, while the PRG have come to represent peace. It is common knowledge, for example, that everyone in PRG zones is encouraged to learn the Paris Agreement, and the PRG has convinced many Vietnamese that it sincerely wants to implement it. In GVN zones, on the other hand, the Paris Agreement is not publicized and Thieu does little but talk of more war.

During my visit to South Vietnam, moreover, I found that most experts believe that the military balance is also shifting away from Thieu. U.S. technicians trying to keep the GVN airforce together, for example, told me that VNAF mechanics have little interest in maintaining their own planes. The desertion rate is reportedly high since the ceasefire, and local accommodations between PRG and ARVN units have skyrocketed since the ceasefire. This has allowed the PRG to move more freely than ever throughout South Vietnam, extending its influence into many villages and hamlets it formerly could not reach.

The notion, moreover, that by providing well over 90% of the GVN's resources, the



May 6, 1974

U.S. is leaving Vietnam "free to choose its own government" makes no more sense today than it did 20 years ago. The basic fact is that the Thieu government is the only administration in the world (except for Laos and Cambodia) which derives 90% of its resources from a foreign government. And, as such, it is not responsible to its own people but to the U.S. This basic structural fact means that the GVN will never be able to "stand on its own"—for it has no base in its own country. (See Table 4)

The principal economic problem of the GVN, for example, is the tremendous cost of maintaining its 1.1 million-man army, 350,000 civil servants, and 120,000 policemen. This huge parasitic class not only devours our aid, but can only survive through an ever-increasing amount of aid and war material from the outside.

The Thieu government, unwilling to compete politically, unable to allow a relaxation of tensions which might see its army desert en masse, unable to relax police control of its population, is therefore structurally committed to maintaining this huge bureaucracy indefinitely.

Thus it is, for example, that despite the decline in the real value of U.S. transfers of resources to South Vietnam's economy since the 1969 peak, the per capita level of imports into South Vietnam in constant U.S. dollar values remains today at about \$25—still higher than the \$21 per capita a decade ago. Despite his tremendous influx of funds from the outside, however, the Thieu government has been unable to use this capital for development. It has all been eaten up by an ever-burgeoning bureaucracy which has seen GVN per capita spending increased from about \$25 to \$50 during the same period.

Another example of the structural inability

of the GVN to stand on its own is the artificial nature of its urban economy. By refusing to allow millions of refugees to return to the villages of their birth—because such villages are in zones controlled by the GVN has ensured that millions of its citizens will remain unproductive, and often in need of doles just to survive. This has in turn, led to over-crowding and filth in and around South Vietnam's major cities—and increased the probability that the GVN will need aid indefinitely.

Fundamentally, however, the most basic structural inability of the GVN is its military orientation and disinclination to shift towards a peace-time economy and political mode of competition. In part, it is a question of sheer momentum. For over a decade, General Thieu and other top officials have remained in power due to American largesse in return for ordering troops into battle. Like any government anywhere, it finds it easier to do what it knows best, than shift to what appears to be a more high-risk arena of political competition. In part, however, it may also be a realization or fear on the part of the GVN's part that it simply cannot compete politically with the PRG—that the GVN's well-known corruption, its police-state tactics, and its decade-long commitment to war, will place it at a disadvantage against its adversaries.

Whatever the case, it is clear that as long as the war in Indochina continues—at whatever foreseeable level—the GVN will simply not be able to "stand on its own" no matter how much aid is given it. (1) Agricultural production will still be limited, with war victims, refugees and often, urban dwellers, demanding American food imports indefinitely. (2) Domestic and foreign investors will not put money into long-term investments. (3) Mobilization of manpower and

resources for the war machine will continue to constitute a powerful inflationary force; world prices will remain high, and the major items required for capital intensive agriculture we have introduced to compensate for lost production due to war, will continue to be too expensive for most farmers.

And if all the above is true for South Vietnam, of course, the situation is even less hopeful for the Administration in Cambodia.

One need do little here but repeat the obvious: the Lon Nol regime is composed entirely today of hard-line extremists, with such moderates as In Tam having left the cabinet in disgust. The Lon Nol government's military position is hopeless, with the Khmer Rouge controlling 70-80% of Cambodia, and remaining on the offensive in the rest. Politically, the Lon Nol government has virtually no support at all—it has even lost the support it originally enjoyed from a numerically tiny group of intellectuals.

For the Administration to suggest that it is in either the American or Cambodian interest for Congress to appropriate more than \$600 million in FY 1975—for war in Cambodia is beneath comment. Even more so than in South Vietnam, the only solution for everyone is for us to stop intervening in Cambodia and to allow what all admit is a civil war among Cambodians to take its course.

This fiscal year 1975 budget request for Indochina aid, then, represents a fundamental attempt by the Administration to deceive Congress and the American people. It will not allow the GVN or Lon Nol governments to become economically viable, it is not a measured response to Soviet and Chinese aid to their allies, and it offers no hope of ever ending.

TABLE 1.—FISCAL YEARS 1974 AND 1975 U.S. EXPENDITURES FOR INDOCHINA

	Original fiscal year 1974 request	Fiscal year 1974 allocation	Original fiscal year 1975 request		Original fiscal year 1974 request	Fiscal year 1974 allocation	Original fiscal year 1975 request
<b>ECONOMIC AID</b>				<b>MILITARY AID</b>			
1. "Indochina postwar reconstruction".....	\$169,000,000	\$435,000,000	\$939,800,000	5. Masf.....	\$1,900,000,000	\$1,126,000,000	\$1,600,000,000
2. "Food for Peace".....	208,800,000	507,300,000	260,000,000	6. Map.....	181,000,000	342,000,000	480,000,000
3. Loans.....		110,000,000		Subtotal, economic and military aid.....	2,909,000,000	2,530,000,000	3,280,000,000
4. Supplemental.....		49,000,000		Indochina-related U.S. forces.....	1,000,000,000	691,000,000	463,000,000
Subtotal, economic aid.....	827,800,000	1,100,000,000	1,200,000,000	Grand total.....	3,909,000,000	3,321,000,000	3,743,000,000

<sup>1</sup> "Current Programing Levels Compared with fiscal year 1974 Congressional Presentation", hearings before House Operations Subcommittee, Mar. 20, 1974, p. 877-879.

<sup>2</sup> President's foreign aid message, Congressional Record H3094, Apr. 24, 1974.

<sup>3</sup> GAO reports on U.S. Aid to South Vietnam, Hon. Lee H. Hamilton, Congressional Record, E1917, Mar. 28, 1974.

<sup>4</sup> Of this, \$183,000,000 for South Vietnam (source-footnote 3 above), \$77,000,000—Cambodia (source—telephone conversation with Department of Agriculture).

<sup>5</sup> \$54,000,000 supplemental expected, though not yet appropriated at this writing.

<sup>6</sup> Hearings before the Senate Appropriations Committee pt. II, 1973, p. 1363.

<sup>7</sup> Letter from Secretary of State Kissinger to Senator Kennedy, Congressional Record S4884, Apr. 1, 1974.

<sup>8</sup> "American Aid to Indochina", Hon. Ronald Dellums, Congressional Record, Apr. 3, 1974.

<sup>9</sup> 27 percent up.

<sup>10</sup> This 9,000,000,000 was the figure advanced by Robert Moot, DOD Comptroller, on Jan. 29, 1973, when he stated that \$1,000,000,000 was for "support of U.S. forces involved in the Southeast Asia situation, both naval and air."

<sup>11</sup> This figure was supplied the Indochina Resource Center from the DOD Comptroller's office on Apr. 29, 1974, and defined as "incremental Southeast Asia costs for the support of U.S. forces related to the phase-down of the Indochina conflict."

<sup>12</sup> Annual Defense Department budget, Mar. 24, 1974, p. 24—"Included in the \$1,900,000,000 for Southeast Asia costs in fiscal year 1975 is \$463,000,000 for U.S. forces—largely the air bases in Thailand.

TABLE 2.—HUMAN TOLL OF WAR

[Civilian figures below prepared by the U.S. Senate Subcommittee on Refugees]

	Refugees <sup>1</sup>	Civilian hospital entries— annual <sup>2</sup>	Civilian hospital entries— monthly average <sup>2</sup>	Civilian killed <sup>3</sup>	Civilian wounded <sup>3</sup>	ARVN killed <sup>4</sup>	ARVN wounded <sup>4</sup>	"Enemy" killed <sup>4</sup>	Total killed and wounded
1965.....	*772,000	50,000	4,166	25,000	75,000	11,234	23,118	35,436	169,788
1966.....	*906,000	50,000	4,166	50,000	100,000	11,953	20,975	55,524	238,452
1967.....	*463,000	49,707	4,142	60,000	115,000	12,176	29,448	88,104	304,728
1968.....	*494,000	86,993	7,249	100,000	200,000	27,915	70,696	181,149	579,760
1969.....	*590,000	66,002	5,500	60,000	140,000	21,833	65,276	156,954	444,063
1970.....	*410,000	59,663	4,971	30,000	95,000	23,346	71,582	103,638	323,566
1971.....	*136,000	50,737	4,228	25,000	75,000	22,069	59,823	98,094	279,986
1972.....	*1,320,000	53,901	4,491	65,000	135,000	39,587	109,962	131,949	481,498
1973.....	*818,700	43,166	3,597	15,000	70,000	13,822	60,005	48,237	207,064
Expelled from Cambodia.....	210,000								
PRG zones.....	700,000								
Estimated non registered.....	2,000,000								
Total.....	8,819,700	510,169	4,723	430,000	1,005,000	183,935	510,885	899,085	3,028,905

<sup>1</sup> Refugees: Figures marked by \* are newly generated refugees as reported yearly by the U.S. Agency for International Development. The 1970 figure, marked by \*\*, includes 281,000 persons who registered in 1970, but were generated as refugees from 1965-69.

<sup>2</sup> Hospital entries: These figures are official, supplied by the U.S. Agency for International Development.

<sup>3</sup> Civilian killed and wounded: These figures are estimates made by the U.S. Senate Subcommittee on Refugees.

<sup>4</sup> Soldiers killed and wounded: Figures for 1965-Jan. 27, 1973, supplied by Pentagon Information Office, (202)QX7-2873. Jan. 27 to Dec. 31, 1973, figures are those supplied by the Government of the Republic of Vietnam.

TABLE 3.—A COMPARISON OF UNITED STATES, SOVIET AND CHINESE EXPENDITURES IN INDOCHINA

(In millions of U.S. dollars)

Year	Soviet		Chinese		United States		Military aid		
	Military	Economic	Military	Economic	Military	Economic	Soviet-Chinese total	Soviet-Chinese percent of total	U.S. percent of total
1966	210	85	60	50	5,263.5	736.5	270	5.0	95.0
1967	565	200	145	80	17,431.9	568.1	650	4.0	96.0
1968	440	240	100	100	22,463.3	536.7	540	2.0	98.0
1970	70	345	85	60	16,523.3	476.7	155	1.0	99.0
1971	100	315	75	100	11,424.3	575.7	175	1.5	98.5
Total	1,300	1,200	465	390	73,100	2,900	1,800	2.0	98.0

## SOURCES:

1. Soviet and Chinese expenditures for 1966-68 were drawn from national security study memorandum No. 1, as reprinted in the Congressional Record, May 10, 1972. They are included in the section prepared by the State Department, in response to question 28, in a chart captioned "In Million U.S. Dollars at Soviet Foreign Trade Prices," on p. E5000.

2. Soviet and Chinese expenditures for 1970-71 are taken from an Associated Press dispatch published in the New York Times on Apr. 13, 1972. The dispatch cites "U.S. Government sources, not allowing use of their agency name." It is entitled "Soviet Arms Aid to Hanoi Is Down."

3. U.S. expenditures for 1966-68, and 1970, are taken from "Impact of the Vietnam War," pre-

pared by the Library of Congress, June 30, 1971, p. 2. Costs are given in fiscal years, and are incremental; i.e., costs that would not have been incurred was the United States not involved in Indochina. The 1971 figure is an estimate reported by "The Air War in Indochina," by a Cornell University study team, Beacon Press, p. 100. We have divided U.S. costs into military and economic by subtracting from the total figure given in the sources just listed, the figures for U.S. economic aid listed in the "Fiscal 1974 Year Program Presentation to the Congress," prepared by the U.S. Agency for International Development, p. 10.

Note. The 5 selected years chosen above are the only ones for which it is possible to compare U.S., Soviet, and Chinese expenditures for Indochina.

## UNITED STATES NOW SUPPLIES 86.3 PERCENT OF THIEU'S TOTAL RESOURCES

Note. The chart following this page was recently supplied by the U.S. Agency for International Development. For the first time in the war it officially outlines in the clearest way possible the fact that the U.S. is responsible for over 85% of the Thieu government's total resources. It is important to note, moreover, that during 1973 the U.S. was forbidden by the Paris Agreement from interfering in the internal affairs of Vietnam. The 86.3% of the Thieu government's resources supplied by the U.S. is divided up as follows:

## 1973 INCOME INTO SOUTH VIETNAM

	Amount (millions)	Percent
U.S.-supplied income equals 86.3 percent:		
U.S. military aid	\$2,270.5	66.8
U.S. commodity import program	300.0	8.8
U.S. Food for Peace	143.0	4.2
U.S. project aid	86.1	2.5
U.S. loan	50.0	1.4

	Amount (millions)	Percent
Import revenues due to U.S. presence (minimum)	91.44	2.6
GVN-generated income equals 13 percent:		
Direct taxes	58.6	1.7
Indirect taxes	283.2	8.3
Import revenues	10.16	0.2
Currency additions	30.7	0.9
Bond sales	30.3	0.8
3rd country aid	40.0	1.1

## Key to Chart following this page

Line (1) The GVN did accomplish a modest gain in direct taxes during 1973. For a population of 20 million, however, the \$3 per capita raised in taxes is a telling indictment of the GVN's political appeal.

Line (2) Although we have counted all \$283.2 million in "indirect taxes" as internally-generated, in fact 30% of indirect taxes during the war were generated by the U.S. presence, and a substantial portion of such "indirect taxes" are still derived directly from the U.S. presence.

Line (3) Virtually all import revenues are derived from U.S.-subsidized imports. Nonetheless, we have estimated the GVN's internally-generated import revenues at 10% of the total, a rather high estimate. Line (4) This simply means that the GVN printed up new currency, thus stimulating inflation. Line (5) The GVN borrowed on the future here, presumably from the national bank. Line (6) The 1973 "loan" was from the U.S., those in 1974 will come from a variety of countries and institutions like the World Bank. Lines (7)-(10) These are 4 overt and admitted categories of U.S. funding. Inflation has meant that they amount to a declining amount of real aid and thus declining living standards. The 1974 "military aid" figure of \$1.026 billion is not taken seriously by the Indochina Resource Center, since it cannot be correlated with the requests of \$1.6 billion for FY 1974 and \$1.6 billion for FY 1975. Line (12) This indicates that portion of American aid which enters GVN budget accounting. The budget is quite obviously a small portion of what it takes to keep the GVN in existence.

## SOUTH VIETNAM—GOVERNMENT BUDGETS BY CALENDAR YEARS 1964-74

(In millions of dollars)

	Calendar year—										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
1. Direct taxes	12.3	12.7	11.7	13.4	24.4	28.1	35.4	34.0	39.6	58.6	65.6
2. Indirect and other domestic taxes	87.7	124.1	128.3	135.6	138.1	158.9	190.3	199.0	201.5	283.2	301.0
3. Import revenues	63.0	70.9	215.8	177.5	158.9	275.5	328.8	379.6	114.3	101.6	96.9
4. Addition to currency supply	63.0	255.7	131.7	117.5	249.4	86.5	98.2	154.8	47.4	30.7	93.8
5. Bond sales	15.2	27.1	17.7	11.6	40.0	28.6	13.1	75.7	121.4	30.3	NA
6. Loans from foreign countries										50.0	100.0
7. U.S. AID project Asst.	46.3	65.7	184.1	324.8	224.1	153.0	115.9	95.7	72.2	86.1	201.7
8. U.S. C.I.P.	104.8	157.5	259.3	165.2	104.4	176.1	182.3	439.4	225.6	300.0	240.0
9. U.S. food for peace	33.9	48.2	76.3	153.3	138.3	94.1	121.0	81.8	118.1	143.0	160.0
10. U.S. military aid	181.8	268.9	862.3	1,203.5	1,504.5	1,608.2	1,692.6	1,482.5	2,382.6	2,270.5	1,026.0
11. 3 country grant aid	19.9	19.9	19.9	20.0	20.0	26.0	20.6	28.3	34.2	40.0	60.0
Grand total	627.9	1,050.7	1,907.4	2,328.4	2,152.1	2,632.3	2,798.2	3,170.8	3,355.6	3,394.0	2,345.6
12. Counterpart contribution to the budget	129.5	174.5	301.2	277.7	177.4	190.6	239.5	267.4	305.0	400.2	390.2
Total GVN budget	232.5	382.2	657.0	610.2	498.8	653.1	794.0	880.0	675.4	855.6	854.3
(Conversion rate VN\$/\$)	(81/1)	(79/1)	(120/1)	(160/1)	(168/1)	(192/1)	(226/1)	(194/1)	(412/1)	(512/1)	(604/1)

1 Estimated.

Source: Table 1, Letter to Congresswoman Bella Abzug, from House Foreign Operations Committee, Feb. 20, 1974—from AID.

## U.S. ECONOMIC AID TO INDOCHINA, FOR FISCAL YEAR 1974

(In millions of U.S. dollars)

	SVN		Cambodia		Laos		Total	
	Original <sup>1</sup>	Actual <sup>2</sup>	Original <sup>1</sup>	Actual <sup>2</sup>	Original <sup>1</sup>	Actual <sup>2</sup>	Original <sup>1</sup>	Actual <sup>2</sup>
Humanitarian	85.0	70.0	4.0	13.4	18.4	13.0	107.4	96.4
Reconstruction	50.0	2.0	5.0	0	5.9	10.9	60.9	25.9
Development	48.0	13.0			12.5		60.5	
Comm. Imp. Prog.	275.0	200.0	46.7	62.1			321.7	262.1
Stabiliz. Fund			18.3	18.3	18.2	16.1	36.5	34.4

May 6, 1974

S 7131

	SVN		Cambodia		Laos		Total	
	Original <sup>1</sup>	Actual <sup>2</sup>	Original <sup>1</sup>	Actual <sup>2</sup>	Original <sup>1</sup>	Actual <sup>2</sup>	Original <sup>1</sup>	Actual <sup>2</sup>
Technical Support	17.0	15.0	1.0	1.2			18.0	16.2
Ind. Post-War Rec.	475.0	300.0	75.0	95.0	55.0	39.8	605.0	435.0
Food for Peace	176.4	309.0	30.9	194.2	1.5	3.6	208.8	506.8
DOD Moneys	105.0	15.0	(?)	(?)	(?)		(?)	(?)
Supplemental, Cip.		49.3						49.0
Loan, Cip.		60.0						60.0
Development Loan		50.0						50.0
Grand total	756.4	873.0	105.9	289.2	56.5	43.4	813.8	1,100.0

<sup>1</sup> Original: Stands for original administration requests for fiscal year 1974, present in spring 1973.<sup>2</sup> Actual: Stands for final administration appropriations.

Mr. McGOVERN. I also ask unanimous consent that a letter from the Saigon Government denying permission to a Vietnamese citizen to publish the terms of the Paris Peace Agreement be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[Translation]

REPUBLIC OF VIETNAM, OFFICE OF  
THE PRESIDENCY, NATIONAL IN-  
FORMATION COMMISSION.\*

Saigon, June 9, 1973.

No.: 1JG (?) PTDUV/PBNCNT/KSAL.  
To Mr. —:

DEAR SIR: We regretfully inform you that, after examining your work with leniency, we cannot issue you a permit to publish your book: To End the War and Reestablish Peace in Viet-Nam.

Please come to the Bureau of Domestic Printed materials, National Information Commission, at 170 Phan Dinh Phung Street, Saigon, at your early convenience so that we can return your manuscript.

Sincerely yours,

[The seal reads, around its circumference, "Republic of Vietnam, Office of the Presidency," and, in its center, "National Information Commission."]

[Signature] BATUOC.

Chu-Bá-Tuóc.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Does this amendment by the distinguished Senator cover just the \$266 million which was "found" a few weeks ago?

Mr. KENNEDY. The Senator has stated it accurately. It is related only to that amount of money which the majority leader stated.

Mr. MANSFIELD. Does the Senator know whether that \$266 million was "found" in the Pentagon or in the Congress?

Mr. KENNEDY. It is the understanding of the Senator from Massachusetts that it was found in the Pentagon, and not in a congressional appropriation.

Mr. STENNIS. Mr. President, will the Senator yield to me on that?

Mr. KENNEDY. I yield.

Mr. STENNIS. I think the answer is that the Armed Services Committee discovered the existence of those funds. That is my information.

Mr. KENNEDY. If I may add this, to complete the matter, I would agree with

the chairman of the Armed Services Committee, it was a result of congressional investigation and pursuit, but still the money that is being considered here today was money that was in the Pentagon, and this does not represent any additional funds that have been in any way appropriated or earmarked by a vote of the Congress.

Mr. MANSFIELD. Did I correctly hear the Senator say the cost to the United States as of now is \$2.5 billion annually in Vietnam?

Mr. KENNEDY. The Senator is correct. That is an estimated figure.

Mr. MANSFIELD. And that is exclusive of costs in Cambodia. Does the Senator recall what those figures are? They are roughly \$400 million—

Mr. KENNEDY. Approximately \$400 million. I will correct the RECORD if that is wrong.

Mr. MANSFIELD. Does the Senator recall what the costs are today in Laos?

Mr. KENNEDY. It is approximately \$125 million, I think.

Mr. MANSFIELD. Does the Senator know what the cost to this country is of maintaining 35,000 troops and airmen and planes, including B-52's, in Thailand?

Mr. KENNEDY. Well, the Senator has me on that one.

Mr. MANSFIELD. The Senator can get those figures, I am sure.

Mr. KENNEDY. On April 10 I asked the help of the GAO in compiling statistics on the totality of U.S. aid in Indochina; it is a massive sum.

Mr. MANSFIELD. The point I was trying to get at is that we are still involved in Southeast Asia almost a year and a half after peace was declared and after the remaining Americans were withdrawn.

Does the Senator realize that the war in Southeast Asia was not only the longest war in the history of this Nation, but the second most expensive war?

I have here a statistical extract of the United States, 1973, 93d Congress, first session, House Document 93-134, a U.S. Department of Commerce publication issued by the Bureau of the Census.

The estimates based on the assumption that the war would end by June 30, 1970—almost 4 years ago—except for original war costs and for veterans' benefits, 1973. It is estimated that the cost for the Vietnamese war or the war in Southeast Asia will extend almost through the year 2050, and the estimated ultimate cost of that war, listed as the Vietnam war in this official Government document, and based on the assumption that war would end by June 30, 1970, almost 4 years ago, is \$352 billion.

That is something to think about.

I hope the Senator is successful. I certainly will support his amendment, because I think we are throwing away too much money, too freely, too far, and too widely.

SENATOR RANDOLPH SUPPORTS IMPROVED CONTROLS ON MILITARY AID TO SOUTH VIETNAM

Mr. RANDOLPH. Mr. President, I have studied carefully the amendment of the able Senator from Massachusetts (Mr. KENNEDY) and his compelling presentation. I strongly support the proposal. It will provide reasonable restrictions and a tightening of procedures on the military aid destined for South Vietnam.

My colleague has stressed this is not a question of discontinuing aid to South Vietnam. Rather, the issue is whether the Congress will impose controls on the expenditure of funds in South Vietnam. Other departments of the Government are required to operate under strict budgetary controls—there is no reason why the Defense Departments should not be forced to utilize accurate and proper spending procedures. Certainly, vital domestic programs come under the closest scrutiny and examination, and any error in domestic activities of the magnitude—\$266 million—to which the pending amendment is directed would be viewed with alarm and pressures for intensive investigation.

Our Nation has unfulfilled commitments to our citizenry for improved housing, health care, transportation, water, and sewage systems and essential public facilities. Programs authorized by the Congress to meet these needs are operating under the most severe budget limitations. In my judgment, citizens generally would agree that foreign assistance programs should be subject to the same strict controls. The amendment of the Senator from Massachusetts (Mr. KENNEDY) is designed to achieve this purpose and I earnestly hope it will be approved by the Senate. It has my complete support.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, in opposition to the amendment of the Senator from Massachusetts, these are rather complicated facts. It is a great pity that such a policy question is going to hinge on one vote here with so few Senators present to get the basic facts.

Just going back briefly as to the history of this legislation: this whole pattern goes back to the Korean war. The pattern of the operation was such in the field of battle that, instead of making a direct appropriation for military aid to operate the Korean army, we merely

\*Translator's note: The National Information Commission is now the Ministry of Information and Open Arms.

Translated by Phuong Khanh Nguyen, Legal Processing Assistant, Far Eastern Law Division, Law Library, Library of Congress, Washington, D.C. 20540, April 1974.

put a provision in the law that money appropriated for our military forces over there would be eligible for use by the Koreans.

When we got into the war in South Vietnam, we adopted the same general pattern, and, by agreement with the Foreign Relations Committee, this program was turned over to the Armed Services Committee.

This was before I became chairman.

Originally, there was no ceiling on these aid amounts. It was just possible to spend any amount that the military might see fit for foreign aid in South Vietnam, so long as they were spending out of their money. But we put a ceiling on it—in 1970, I think it was—and it was \$2.5 billion. We have put a ceiling on the amount every fiscal year since then.

But let me digress a little, now. The cost of this war to us, out of our Treasury, was at one time running at the rate of \$25 billion to \$28 billion a year. So the amount we are discussing is only a very small part of the yearly cost of the war when it was going full scale, and it pertains to the military aid that comes out of money appropriated for our military forces. Last year they asked for \$1.6 billion.

The Senator from Missouri, in his diligent way, held hearings last year, and the committee proposed a figure that was lower than \$1.6 billion, but it was finally settled in conference at \$1.1 billion, as it is rounded off. That is the same money as is involved here, the same subject we are discussing now. Then, this year, at the beginning of this session, there was a supplemental authorization bill that contained an amount for Trident. It also contained an amount for Diego Garcia, in the Indian Ocean; and it contained some additional money for this military aid to South Vietnam. It is true that our forces are no longer fighting there. This assistance goes for the South Vietnam Army and military.

The Pentagon asked, in this supplemental bill, for an increase of \$474 million as a supplemental item. I asked the Senator from Missouri (Mr. SYMINGTON), and he readily agreed, to hold hearings on the supplemental bill, because it was a part of the 1974 program. Everybody has been open, straightforward, and honest about this item, but I understood we had all agreed on the bill as a package, as it is before the Senate now. No one voted against any item. The Senator from Missouri will speak for himself. I do not blame him one bit. He is going to speak for the Kennedy amendment, which is why I am handling the opposition to it, or at least why I am the floor manager for the opposition.

I did not favor including in the supplemental bill amendments that were not emergencies. No one else did, very much, and we unanimously left them out.

But as to this money for military aid to South Vietnam, it having run out, I felt that we ought to do something about it rather than simply totally and suddenly stopping all of it, which is what this amendment would do.

There are some supplies on hand in Vietnam, I am sure. They have what is

called an inventory base. There may be some rifles, some bullets, some gasoline, some trucks, and other essentials that are necessary to make war, but they are being depleted mighty fast. The Kennedy amendment, if it became law, would stop everything except this supply, which may last for some weeks. It might be 8 weeks or 10 weeks, or something like that, for whatever they have on hand, and that would vary. That is the real issue.

We found this money, which is not new money. This supplemental bill does not authorize any additional new money, as we ordinarily do. The report merely points out that there are some unobligated balances from previous fiscal years, and that we can go on and use that money. That is what the report says. That is why it was so nearly unanimous in the committee. That is all that is asked for now.

This amendment—and I do not blame the Senator from Massachusetts for it—would write into hard law this cutoff proposition; whereas the committee bill, we brought it before the Senate, and as the report speaks now, would permit the use of this money, the old money, the old authorization, at least for these purposes.

Let me say, though, that we are writing into the regular authorization bill a provision which will provide a much larger sum for military aid, and we are going to write in even stricter provisions now, because there are no longer two armies over there now fighting side by side. That provision will say how much more ammunition will be provided, since there is only one army now. We are going to impose additional restrictions, more than we have now.

So back to the provision brought in by the committee, it does not violate the ceiling set by the committee. It does not violate the ceiling or any new authority. It will not require the Committee on Appropriations to appropriate more money. The supplemental appropriations bill will be filed just as soon as we get through with this bill.

They are awaiting the outcome of this supplemental bill on some items, but on this program they did not have to wait because there is no money involved in it. So there is no money involved in it. The bill is here, and as a practical matter it rather quickly boils down to this fact.

Talk about the billions invested. We invested 54,000 lives over there, the lives of men who were sent into that war and died in battle or from wounds received in battle. Many more were seriously wounded. I am not willing to turn our backs totally on those men and the memory of their sacrifices. I do not want to be sentimental or emotional about this subject. I just have not made up my mind that I am ready to do that—not yet; not yet. I will not do it all of a sudden, on an amendment offered from the floor, by whomever it may be offered. I will move on this subject, for my part, on a more gradual basis. That is what we did. We said we were going to end the war by gradualism, and we did. I think a great majority of American people, although they were sick and tired of the war, are pleased that we did work on that basis,

rather than come out of their with our flags turned toward the ground. We came out with our flags flying.

No one can yet say that the United States ever turned its back and ran out of any war. We almost lost one a 100 years ago, maybe, at one time. But seriously I am glad, and most people are, I believe, that we did not turn our back and come out.

Now, to a degree, the same issues are involved, except the lives of our men are no longer involved. None of our people are going into battle, and there is no prospect of them going back into battle over there. This is a winding down and getting out of that war, as far as we can—not just turning our backs and running out.

I do not know what was promised over there. I would be willing to go over there and go into it, if anyone wants to go into it, and get the most minute facts about it. But I already know what my position is, and my position is to get out of there as fast as we reasonably can, carrying out our obligations, first to our men that we sent to their deaths there and their loved ones left behind, and carrying out our general obligations as an ally there.

We stayed there for years. We knew what we were doing. No one made us go in. And I think we had just better take a second thought here, and whatever we are going to do, not do it on a supplemental bill that has already been stripped of almost everything in it. I think we have taken out about 60 percent of the original bill. And let us not do it by a floor amendment on a matter that is going to be back before this Senate in a few weeks. It will be only 4 or 5 weeks before the general authorization bill is back before the committee.

The Senator from Montana has said we must have it, and must have it soon, and we will make it the pending business soon after the committee gets it here.

Let us act on that bill. Let us act on that bill in the light of more extensive hearings, and in the light of a full recommendation of the Armed Services Committee.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. STENNIS. Yes, I yield to the Senator from Texas for a question.

Mr. TOWER. It is the understanding of the Senator from Texas that by virtue of the very specific language of this amendment, if the amendment were to prevail and become law, it would mean the end of the Joint Casualty Resolution Center activities to resolve the MIA cases, and would result in the withdrawal of U.S. negotiators in the four-party joint military tier, which would end our effort to get information from the other side on MIA's, so it would mean the total abandonment of our MIA's; they could go to blazes, those 1,400 or 1,500 MIA's. We can forget about them. The money is more important, apparently, than our MIA's.

Mr. KENNEDY. Mr. President can the Senator quote the part of the amendment that applies to that? The Senator is to-



May 6, 1974

S 7133

tally misrepresenting the effect of my amendment.

Mr. STENNIS. Wait a minute I have the floor.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. How much time do I have remaining Mr. President?

The PRESIDING OFFICER. The Senator has used 15 minutes of his 45 minutes.

Mr. STENNIS. Mr. President, there are other Senators who wish to speak. I ask the Senator from Massachusetts, if I may yield to him briefly, and he then proceed on his own time?

Mr. TOWER. Mr. President I will be glad to respond to the question of the Senator from Massachusetts.

Mr. STENNIS. All right, Mr. President, the Senator says he will answer the questions on the time of the Senator from Massachusetts. I yield the floor.

Mr. TOWER. As I read the amendment, it says:

None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

That seems to me to be pretty comprehensive.

Mr. KENNEDY. If the Senator will read it completely, he will see that it directly applies to the MASF assistance program, which deals only with ammunition, and relates to the transfer of unobligated funds. So this distorts completely the meaning of the amendment of the Senator from Massachusetts.

Mr. TOWER. No, I have not. It says:

None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act

Mr. KENNEDY. This applies only to the question of ammunition and the MASF program. It does not relate to any of the funding which is for the MIA program, which comes from other DOD funds which, I understand, are obligated.

The Senator can state whatever his interpretation is, but he is stating it inaccurately. He can put whatever meaning he wants into it, but I am not going to have my amendment distorted by the Senator's language.

Mr. TOWER. Mr. President, I have not quoted anything but the Senator's own language.

Mr. KENNEDY. The Senator is—

Mr. TOWER. The Senator says "appropriated by this act or any other act."

Mr. KENNEDY. Mr. President, I yield to the Senator from Missouri.

Mr. MANSFIELD. If they did not find it in one place, they could find it in another, could they not?

Mr. TOWER. No; but it is specifically barred, and let us make that plain. I do not care what interpretation may be placed on it; the language here is very specific.

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. SYMINGTON. Mr. President, let me first assure my colleagues I do not want in any way to furl the flag of the United States. I am mighty proud of that flag and my service under it.

On October 3, 1967, on the floor of the Senate, I made the following statement:

The resources of any country, even those of the United States, are not inexhaustible; and therefore developments in the Middle East and Europe should also be considered as we in turn consider future policies incident to Vietnam.

That was October 3, 1967. On that day, I continued:

I have presented for many months my conviction that the United States is overcommitted and overextended. We need a great deal of money to handle all these commitments along with our growing problems at home, and we do not want to jeopardize the integrity of the dollar.

Mr. President, every time anything comes up about more money for Indochina, which means Cambodia, Laos, and South Vietnam, there is talk about our honored dead.

In that same speech, on October 3, 1967, I presented that 13,500 Americans had already been killed in Vietnam, and 85,000 wounded.

A few days later, I was asked in Kansas City, Mo., my own State, whether I did not honor those men who had been killed.

I replied, "I will answer that question with another question: Would you rather rather kill 13,500 more than admit we were wrong?"

The able and distinguished chairman of this committee, for whom I have the greatest respect, has just given a figure which is four times more that have now been killed than were killed at the time I made that talk on the floor of the Senate 7 years ago.

Mr. President, for these reasons I support the Kennedy amendment. The record is all too clear that the Defense Department has spent and will continue to spend every cent and more Congress approves to support current military and logistic activities in Indochina—Laos, Cambodia, and South Vietnam. This is the record over many years, brought back to us by many staff representatives of the Senate.

Let me review briefly the history of the fiscal year 1974 request for the military assistance service funded program.

This is a matter of practical figures and statistics. When it comes to the romance of war regardless of what country is involved, I am tired of seeing all these people killed with the premise it is necessary to protect the best interests of the United States.

The executive branch initially requested a \$2.1 billion ceiling on obligations for this MASF program.

As a result of the January 1973 ceasefire, however, this initial request was reduced to \$1.6 billion.

After discussion, the Senate Armed Services Committee placed an authorization ceiling for said program of \$952 million.

At that time, because of the illness of our able and distinguished chairman,

I chaired the conference with the House of Representatives. They came in with \$1.3 billion. We compromised at \$1.126 billion.

As early as July 31 of last year, the Defense Department was put on notice that their \$1.6 billion request for MASF would be substantially reduced. But there is no evidence that any action was taken to reduce the level of support so as to conform to the planned reduced level; in fact, for the first 6 months Defense reported MASF obligations of \$890 million, actually the rate Defense would have obligated had Congress approved their originally recommended ceiling of \$1.6 billion. Again, this is but typical of their actions over the years with respect to funds for Indochina.

Congress ultimately approved a ceiling of \$1.1 billion; but since in the first 6 months Defense obligated nearly \$900 million, they are now out of obligational authority. As we know, Mr. President, a supplemental is to consider cases where there must be prompt or immediate action. Defense knew they were overspending the money. They continued to over-spend. Now they ask for justification in this supplemental.

Mr. President, I approved this in the beginning, though I understood where the \$266 million came from, and I give full credit to our staff.

Now I have had some accounting training, but still am not entirely clear where the money originates that was not spent.

In any case, the Defense Department solution to this, their own action, was to come back to Congress with this supplemental request, one designed to raise the limitation back to the \$1.6 billion originally recommended and rejected—not only by the Senate but also by the House as well as in the conference.

Actually, the request to raise the MASF ceiling was made but one month after Congress had finished action on the fiscal year 1974 appropriations bill.

I, for one, do not believe the Congress should continually bail out the Defense Department—and that is what this is, a bailout—we should not bail out the Department of Defense from monetary jams which they deliberately plan themselves into.

Now we have heard arguments which cite possible dire consequences of not providing more money than the ceiling imposed by Congress last year. But here we are, with less than 2 months left in this fiscal year. I am not convinced anything will happen within the next 2 months if Congress maintains its previously established position, and does not add to this obligational ceiling.

It would seem the time has come for the Senate to hold the Indochina line.

We have been hearing for years and years about the fact we were getting out of Indochina, that we are getting out of Indochina, but we are always coming back for more money to get out of Indochina.

Only this morning I read that South Vietnamese troops are attacking in Cambodia.

We all know only too well that today the United States has serious and current economic problems here at home. If anyone does not so believe, they do not have to travel to my State of Missouri. They can go a few blocks from this Capitol and see homes where people are living, under current Federal housing programs, without heat or light. There can no longer be approval by us of every single monetary request now coming in from all parts of the globe.

Mr. President, we are now giving a great deal of aid to Egypt. I do not protest that. We plan, according to the press, to give military aid to Egypt. I do not protest that. We are giving billions of dollars of aid to Israel and I do not protest that. We are sending billions upon billions of dollars for oil to Middle East countries. I do not protest that. We are spending billions upon billions maintaining a very large military force in Europe. At this time I do not protest that. But I do question whether the American economy can continue to bear all these burdens indefinitely; in fact, that was the basic thrust of my talk on this floor nearly 7 years ago, October 1967.

Surely one could rate a few of the more obvious needs of some of our own American people as being higher in priority than this \$266 million now being requested, all of which is above the agreed upon original ceiling for the support of Vietnam.

Let us remember that, if approved, MASF would still be obtaining \$174 million more than what was originally passed last year by the Senate.

It is for these reasons, let me repeat, Mr. President, that I support the amendment of the distinguished senior Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. The 10 minutes of the Senator have expired.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from New Hampshire (Mr. McINTYRE).

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes.

Mr. McINTYRE. Mr. President, I intend to support the position of the Armed Services Committee and vote against the amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY). Because so much comment has surrounded this amendment, and because many different interpretations are likely to be placed on the results of this vote, I believe it is important to state the reasons for my vote.

At the outset, let me make it clear that:

This is not a vote for open-ended and indiscriminate funding for the Thieu regime.

This is not a vote for devious accounting procedures that allow the Pentagon to "find" mysterious sources of funds.

This is a vote to fulfill congressional intent regarding fiscal year 1974 aid to Southeast Asia, and to live up to the guidelines given to the Defense Department.

Mr. President, this issue can be put in better perspective by a short review

of the Armed Services Committee action after the Pentagon's request for an increase in the fiscal year 1974 ceiling on aid to Southeast Asia. When this matter came before our committee, it was my strong feeling that the request was not justified. Accordingly, I voted with the committee to remove this request from the bill and thereby retain the \$1.12 billion spending limit.

Close examination by committee staff members of the Pentagon's accounting practices revealed that a system was being used that failed to differentiate between aid given to Southeast Asia during fiscal year 1974 and replenishment to domestic inventories for ammunition and other aid supplied to Southeast Asia in previous years. Thus, the \$266 million figure which is the focus of the pending amendment actually represents aid given before fiscal year 1974. The total funds spent for aid to Southeast Asia in this fiscal year would therefore be less than the \$1.12 billion ceiling.

Mr. President, I do not regard the sum of \$266 million as insignificant or trivial.

I would prefer that this money be spent here at home on some of our pressing domestic problems. But that is not the issue at hand. This Congress has made a commitment—to the Defense Department and to the government of South Vietnam. We have stated that a certain sum of money, but no more than that sum, will be available in this fiscal year. To pass the amendment offered by the Senator from Massachusetts would be to renege on that commitment with less than 2 months remaining in the fiscal year. However attractive that might seem from the standpoint of domestic priorities, I believe it would be unfair and capricious in light of the promises implicit in the 1974 authorization. At a time when the integrity and credibility of the governmental decisionmaking process is under heavy scrutiny, we should not diminish the value of a congressional pledge.

But at the same time that we uphold our previous commitments, let us also serve notice on the Pentagon and on President Thieu that we are not giving a blank check for the future. In no way should my vote be read as a promise to "bail out" the Pentagon any time it overspends or seeks to vitiate a congressional spending ceiling. One glance at the treatment given the Pentagon's supplemental research and development requests by my R. & D. subcommittee should make my position clear. Furthermore, I intend to take a very hard look at the fiscal year 1975 budget requests and especially the \$1.6 billion Vietnam aid ceiling sought by DOD. I firmly believe that our policy should continue to be to decrease our involvement in Southeast Asia.

Mr. STENNIS. Mr. President, I yield myself 1 minute to say that I certainly thank the Senator from New Hampshire for going to the trouble of studying this matter and for staying here to make a very fine and clear-cut speech that contributes to the situation, and firmly and strongly backs up the committee position.

This is another illustration of how valuable the Senator from New Hamp-

shire (Mr. McINTYRE) is not only on the Armed Services Committee, but wherever else he puts his hand to the plow.

Mr. McINTYRE. Mr. President, this was a most difficult decision for me to make but I think we should live up to the pledges that we make.

Mr. STENNIS. Mr. President, I yield 7 minutes to the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 7 minutes.

Mr. THURMOND. Mr. President, when the defense supplemental bill came in this year, the administration requested \$1.6 billion for Southeast Asia for military support. The committee reduced that to \$1.26 billion. We feel that this is reasonable. We feel that it is proper. We have lost almost 50,000 men in Vietnam. We have had 300,000 wounded in Vietnam. We believe that with some ammunition and equipment, the South Vietnamese would be able to hold their own and maintain their freedom. But without this, they cannot do it.

Mr. President, under the amendment of the distinguished Senator from Massachusetts, \$266 million will be cut from this \$1.26 billion. The Armed Services Committee did not add any new money. I would like this to be clear in the minds of my colleagues: We delivered ammunition in 1972 and 1973 that was charged to the 1974 authorization. Therefore, that reduced the authorization for this year, 1974, to \$860 million.

All we are trying to do here is to prevent the loss of that \$266 million, which we have already authorized and already appropriated. I repeat: We are not adding \$266 million. We are merely trying to keep that much from being lost from this year's authorization appropriation which Congress made last year.

Mr. President, Congress has already acted. We do not want to see now the action of Congress undone. If there were justification for undoing it, that would be one thing. But there is no justification. The South Vietnamese need this money.

We were pressed to get out of the Vietnam war, and we made statements and promises that if we could get our manpower out, we would provide them with ammunition and equipment.

That is what we are trying to do now, except on a smaller basis, because we are not providing it on a 1-to-1 basis as the agreement provided. This is less than the agreement provided.

The question might be asked, How is this money going to be used? This is how it will be used: ammunition, \$160 million; aircraft procurement, \$69 million; operations maintenance and spare parts, \$37 million—a total of \$266 million. The South Vietnamese need it. They need it in order to stop the aggression of the enemy.

I sincerely hope that the Senate will not undo what it has already done. I repeat: We are not taking any affirmative action to give them more money. We are just trying to hold what Congress has already given. It would be a great blunder, in my opinion, if we were to take steps to deny this \$266 million to those people

May 6, 1974

S 7135

over there who are fighting for their freedom.

An article appeared in a newspaper a few days ago which stated that a battalion was lost over there because of lack of ammunition. We do not want that to happen again. The article reads: "A Battalion Dies at Kontum. Officers Say Lack of Ammo Hampers Operations."

Do we want that to happen? Do we want South Vietnam to go down the drain? Do we want the South Vietnamese to lose their freedom? Do we want the whole of Southeast Asia to go Communist? It will be determined on the floor of the Senate.

These brave people are willing to fight. All they are asking and pleading with us for is a little ammunition and weapons and equipment, and let them do their own fighting.

We said we would do that, when we pressed to get out, and now they have taken it over. We have an obligation to those people to provide them with ammunition and equipment, because, after all, they are fighting for the free world as well as their own freedom.

Mr. President, I hope the Senate will not adopt this amendment. I hope the Senate will stand by what it did last year and let South Vietnam have what Congress already has considered, authorized, and appropriated, and not disturb that amount by trying to reduce it by \$266 million.

One might say that the Pentagon is trying to pull a fast one or it is the Pentagon's bookkeeping. Yes, the Pentagon made a mistake; and Mr. Don Lynch, of the Senate Armed Services staff, caught that mistake.

The VICE PRESIDENT. The Senator's 7 minutes have expired.

Mr. STENNIS. I yield 1 additional minute to the Senator.

Mr. THURMOND. Mr. Lynch caught that mistake. What was done was that this \$266 million, instead of being charged to the 1972 and 1973 fiscal years, was charged against this year. It was purely an error. If anybody makes a mistake, can they not correct it? A mistake should be corrected. I commend Mr. Lynch for catching that error. He is a very able staff member. Simply because the Pentagon made a mistake, we should not punish the South Vietnamese in their struggle and in their effort to maintain their freedom, by denying them what Congress has already appropriated.

Mr. STENNIS. Mr. President, I yield 4 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise in opposition to the amendment proposed by the distinguished senior Senator from Massachusetts.

The amendment, in reality, seeks to nullify and revoke the considered action of Congress earlier this session in enacting the Armed Services regular authorization and appropriation acts for fiscal 1974, which we are now considering. The amendment is an attempt to deauthorize and to cancel an appropriation duly made on the military assistance service funding in regard to South Vietnam and Laos.

It would be extremely unwise to adopt this amendment, and it should be rejected. Previous action by Congress was

well considered; it was deliberate and pursuant to sound, long-range policy. It should be preserved.

There may be a time when the merit of this action can be more fairly canvassed, and that time will be here within a few short weeks. But to reverse the deliberate and well considered action of both houses of Congress and the signature of the President on the basis of a 45-minute debate on each side of the respective sides of this issue certainly is not in order and is not wise.

The complicating aspect of the current situation results in the fact that approximately \$266 million worth of ammunition had been delivered from Army inventories to South Vietnam in prior years. Under understandings with Congress, and consistent with past practices, the Defense Department charged this amount to the 1974 ceiling on the amounts that were set aside for the military assistance to South Vietnam. In reality, this was "payback" ammunition for United States inventories delivered in previous fiscal years. This resulted in a reduction of \$266 million from the amount approved and appropriated for support for fiscal 1974.

Mr. President, there are two ways congressional intent and action can be restored:

First, by increasing the ceiling from \$1.126 billion to \$1.6 billion. The House refused to do so. The Senate Armed Services Committee also recommended that such increase be denied.

The second way is to correct the bookkeeping entry by which the \$266 million were charged against the fiscal 1974 limitation and make that charge against prior years unused authorizations and appropriations. Such a correction would do two very helpful things: First, the actual military assistance rendered for fiscal year 1974 will be clearly and realistically reported; and second, the authorized and appropriated amount for such military assistance will be restored to the amount Congress intended it to be for fiscal year 1974. This is the amount which Congress authorized and appropriated in the regular fiscal year 1974 Authorization and Appropriations Acts.

The Senate Armed Services Committee report in its final paragraphs at page 32 reads:

This \$266 million should not have been included under the MASF limitation for FY 1974. The funds in fact have been obligated for accounting purposes in prior years, and the ammunition was delivered in prior fiscal years.

The statistical method of reporting may have been valid when U.S. forces and South Vietnam forces were supported by a common pipeline. However, since U.S. forces have been withdrawn, statistical reporting is completely unsatisfactory to the committee. The Department of Defense should change their method of reporting obligations under the ammunition program from a statistical basis to a more realistic basis as soon as possible.

By making the correction of bookkeeping to which I have referred, congressional intent and previous action will be observed.

A great deal of painstaking study and consideration was devoted to reaching the decisions contained in the regular

fiscal 1974 Authorization and Appropriations Acts.

At this late hour, we should not divert the course of action so carefully and deliberately achieved.

Policy decisions of far-reaching impact are involved. They are well grounded and well founded on a longer range view.

A more clear understanding of the situation can be gained from a reading of the April 29, 1974, U.S. News & World Report article entitled, "Envoy to South Vietnam Answers His Critics."

I ask unanimous consent that its text be printed at the conclusion of my remarks.

The article consists of a verbatim interview in Saigon by Wendell S. Merick of the U.S. News & World Report with Ambassador Graham A. Martin, a 40-year veteran in the diplomatic service of his country.

It is urged that the pending amendment be rejected.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENVOY TO SOUTH VIETNAM ANSWERS HIS CRITICS—INTERVIEW WITH GRAHAM A. MARTIN

Q Mr. Ambassador, has Vietnam made any real progress toward peace since the January, 1973, cease-fire agreement?

A Yes, but the pace has been much slower than most Americans had hoped for. However, many of us who have followed Indochina events over the years have been convinced all along that there were essential prerequisites to a real peace.

One is that Hanoi would have to become convinced that the South Vietnamese still retained the will to stay free, as well as retaining political unity and the military capability to do so even after all American combat forces had left the country. This is, I think, now clearly established.

The second prerequisite was some diminution of the bitterness which was the inevitable aftermath of a quarter century of savage fighting. That, of course, would take time—but by then Hanoi would come to the realization that only the Vietnamese parties could work our methods of implementing the Paris accords. Then, perhaps, the political machinery established by the accords could be used, quietly and seriously, for real and effective negotiations.

The Republic of Vietnam has been and is now willing to do this. Any objective and dispassionate review of the record confirms that attitude. And one hopes that Hanoi will soon conclude that its own best interests will be best served by a positive political response.

Q Are you optimistic about future progress?

A If you take into account only the two prerequisites I've mentioned, then conditions are certainly ripe for negotiations. But actual progress toward a real peace really is totally dependent on a third requirement. Hanoi must come to realize the futility of its marvelously clever, ingeniously sophisticated and frighteningly pervasive propaganda campaign to force the American Congress to immediately and drastically reduce American aid to the Republic of Vietnam.

I deeply believe that once Congress, by taking action to provide adequate economic and military aid to South Vietnam, shows Hanoi that its campaign cannot succeed, then we will see rather rapid progress. The intensity of fighting and other violence then should lessen, leading to real and meaningful negotiations between the Vietnamese parties.

May 6, 1974

Q Is the U.S. committed to provide South Vietnam with economic and military aid into the indefinite future?

A Secretary [of State] Kissinger pointed out recently that while the answer, in a precise legal sense, is "No," nevertheless we undertook certain obligations when we signed the Paris agreements. Among the obligations was our commitment to the South Vietnamese people's right to self-determination.

The provision of adequate economic and military aid is, of course, a matter for the Congress to determine as it considers the foreign-aid bills each year.

However, I'd like to look back a few years, back to 1954. Many Americans have forgotten that our real emotional involvement in Indo-China affairs began in 1954, with a characteristic American humanitarian response when we helped move almost a million—mostly Catholic—Vietnamese from the North to the South. They abandoned everything of material value, choosing to become penniless refugees in the South rather than remain under the totalitarian rule of Hanoi.

Also, it seems to me that debate over abstract questions of "legality" ought not to obscure the fact, the reality, that our present commitment arises from an even more characteristic American trait—our determination and pride that we finish what we set out to do. And in this case, it is to leave Vietnam economically viable, militarily capable of defending itself with its own manpower, and its people free to choose their own government and their own leaders. I am thoroughly convinced that this goal can be achieved rather quickly.

Q Is South Vietnam's claim that it will need 3 billion dollars in U.S. economic aid through the 1970's realistic?

A It is probably correct that South Vietnam will need 3 billion dollars in a combination of foreign aid, foreign investment and export earnings in the 1970s. But in my opinion, if the decisions I have recommended are made now, not much more than half that amount need come from the United States.

Q How much aid is the U.S. providing now?

A In this fiscal year, military aid has been limited to a little over 1 billion dollars—a very tight sum to help complete the last step of the highly successful process of Vietnamization.

Unfortunately, Hanoi did not observe the cease-fire to which it had agreed, and the rate of necessary expenditures for ammunition far exceeded the estimate made in the expectation of peace.

I'm very hopeful, however, that the Congress will appropriate the full amount the Department of Defense has requested for the fiscal year 1975. If this is done, I am certain the process of negotiation will be speeded, leading to a drastic reduction in the intensity of fighting. That, in turn, will result in a decreased need for U.S. military aid thereafter.

It had originally been planned to provide 625 million dollars in economic aid for this fiscal year. We were able to give only 300 million dollars and, as it turned out, the actual impact of that was much reduced by the increase in world prices of commodities that have to be imported, such as petroleum products.

If, as I very much hope, the executive branch proposes and the Congress approves the 850 million dollars I have recommended for the fiscal year 1975, plus approximately 700 million dollars for the following year, I am convinced further economic aid from the United States could be drastically reduced or even eliminated altogether by fiscal year 1977.

Q Would South Vietnam be anywhere near an "economic breakthrough" if there were peace?

A Very close to that, as a matter of fact. When I was told a year ago by some of the

most competent economists in the United States that all essential conditions were present in Vietnam for an economic breakthrough along the lines achieved in Taiwan and South Korea—but, note this, in a much shorter time frame—I thought they were overly optimistic. Now I am convinced they were right.

Q What will happen here if Congress fails to appropriate the funds you've recommended?

A It will take us longer to finish what we set out to do. You see, I do assume we are going to finish it. I do assume this will not be the first time we Americans will fail to do so.

The question in any mind is whether we will, but how long will it take? I do assume that when we leave we will have accomplished our objective: leave Vietnam economically viable, militarily capable of defending itself with its own manpower, and free to choose its own government and its own leaders. My goal is that we leave in the quickest possible time, with that objective accomplished.

My other goal is that, as quickly as possible, Americans will be able to look back at Vietnam and say that the historians can sort out what mistakes we made, but in the end we did a few things right and it came out all right. I want to get to that point as quickly as possible, and I believe the recommendations I have made will greatly accelerate the speed with which we reach that goal.

Q What sort of economic formula do you see putting South Vietnam on its feet?

A I am not an economist. But I have been exposed to some of the world's best and I have been a long-time intensive student of the economic-development process. I have concluded that no special formula can repeal the basic laws of economics.

Occasionally, we find in a country a combination of great natural resources, an able administration committed to sound economic policies, an intelligent, ingenious, innovative, incredibly tough people, with a proven capability for sustained effort and with a fierce and passionate determination to maintain their freedom. When this combination exists, as it does now in South Vietnam, an infusion of sufficient outside capital acts as a catalyst, bringing all of the elements I've mentioned together in a way that can produce truly remarkable results.

Q Going back to the U.S. aid program. In a cable to the State Department in March you stated that Hanoi decided last autumn to launch an all-out campaign to persuade Congress to cut economic and military aid to Saigon. In your opinion, has Congress been in any way swayed by Hanoi?

A What I actually said was that we had long been aware of decisions taken last fall in Hanoi to mount an all-out campaign this winter and spring to persuade the Congress to drastically reduce the magnitude of both economic and military aid to the Government of Vietnam.

Hanoi's plans called for the Stockholm International Conference on Vietnam to be the main co-ordinating mechanism, and the Provisional Revolutionary Government delegation in Paris—the South Vietnamese Communist representatives—to be the principal channel. The remnants of the American "peace movement" would be used in such a way as to bring influence to bear on selected susceptible—but influential—elements of American communications media and, particularly, on susceptible members of congressional staffs.

The element of timing was important. First, as much material as possible condemning the South Vietnamese Government was to be moved into the "Congressional Record." The hope was that these insertions would show up in—or at least influence—formal reports of congressional subcommittees. These, in turn, could be followed up and

given wide circulation by "investigative reporting" which would tend to confirm and, where possible, expand on the distortions already in the congressional subcommittee formal reports.

When I referred to the Hanoi decision of last autumn I was referring to a special effort designed to particularly affect the authorizing and appropriation process for the fiscal year 1975 aid program for Vietnam.

Hanoi's campaign was not something new. I watched the same process being used in France in the early '50s when the French were still here in Vietnam. I became fascinated by its efficiency and pervasiveness.

Q But is it really effective in the U.S.?

A Let me give you an example. Outside the corps of professional Hanoi watchers, I have probably been one of the most regular and consistent readers of the output of Hanoi's principal newspaper "Nhan Dan" and of Radio Hanoi. With a background like that you'd think one should be immune to the propaganda. Instead, I find that even I have on occasions accepted as true parts of the "conventional wisdom" so carefully implanted. I believe all Americans have been touched by it to some degree, and since the Congress is representative of our people, it is inevitable that Congress would be influenced by it.

When some of these distortions began appearing in the "Congressional Record" and even in some congressional-committee reports, I began to worry more about what was happening to us in the United States than about what was happening in Vietnam.

"THE PEOPLE MUST HAVE THE TRUTH"

I deeply believe that when the American people and the American Congress have the whole truth, their decisions are almost always correct. But they must have the whole truth. Let me illustrate this with a wonderful passage from Alexander Solzhenitsyn, published in Oslo last fall. It reads like this:

"The error committed by man in his understanding of the meaning of 'peace' is nothing but emotional. I meant what I said. This is nothing unusual. We often err not because we find it hard to perceive the truth (it is often right there at the surface), but because it is easier and more pleasant to be guided by our feelings, especially if self-centered."

"The truth has long been demonstrated and proved and explained, and yet it has remained without attention or sympathy, like Orwell's '1984' because of a 'universal conspiracy of adulation' (in the author's own words)."

"The bestial mass killings in Hue [South Vietnam], though reliably proved, were only lightly noticed and almost immediately forgiven because the sympathy of society was on the other side, and the inertia could not be disturbed."

"It was just too bad that the information did seep into the free press and for a time (very briefly) cause embarrassment (just a tiny bit) to the passionate defenders of that other social system."

I was well aware that if I chose to disturb the inertia, if I openly suggested the current carefully cultivated "conventional wisdom" did not provide the Congress and the American people with the whole truth, which was essential to reach decisions that would truly correspond to American interests, I would be subjected to considerable personal abuse. Nevertheless, I thought the abuse would be worth taking if it might contribute to providing the whole truth to the American people.

Q Does the abuse bother you?

A Not really. Last fall my wife told me the integrity of my 40 years of service to the American people was just too well known for such attacks to be taken seriously. She was confident the majority of Americans still preserved an instinctive aversion to being "taken in," and would appreciate the few



May 6, 1974

who were still willing to fight to see they were told the whole truth. She said our "passionate defenders of that other social system" did not, any more than did the Soviets, know how to handle a completely honest man who was not afraid, and if the fluttering in the doves gets too frantic, she would get me a broad-brimmed hat. Prejudiced and overly generous as her appraisal of me may be, it sure is awfully nice to have around.

Q. Senator Kennedy in early April charged that you had recommended that the State Department refrain from giving him an "honest and detailed answer" to questions about U.S. policy in Vietnam. What was the purpose of your recommendation?

A. My first reaction was that George Orwell's 1984 world of "doublespeak" had arrived prematurely.

I have always assumed that all reports of the Secretary or the Department to the Congress or any member thereof would be "honest and detailed." It was obviously a deliberate distortion of the clear intent of my message to suggest that I recommended that Senator Kennedy get any other kind.

On the other hand, I have not been informed that the Senate Judiciary Subcommittee on Refugees has superseded the Foreign Relations and Appropriations committees. I had been impressed by the fact that Senator Kennedy had given a rather free rein to his Subcommittee staff which, it seemed to me, sometimes ill-served him by being more concerned with headlines than with the thorough, painstaking search for accuracy and perceptive insight that has long been the hallmark of the highly competent and professional staffs of the Foreign Relations, Foreign Affairs and Appropriations committees.

Therefore, since the rather important matters of substance raised in Senator Kennedy's letter were very soon to be given an "honest and detailed" presentation to the Foreign Relations Committee and to the Appropriations Committee, my recommendation was simply to convey privately my feeling that it would be the height of folly to give the same "honest and detailed" presentation to the Subcommittee on Refugees before it was given to the committees which had always handled these affairs. I have not the slightest apology for this recommendation.

#### HOW TO END THE WAR "VERY QUICKLY"

Q. Mr. Ambassador, a lot of Americans ask: "Why should we worry any longer about Vietnam?"

A. The important questions remain: How do we end our involvement? How quickly can this be accomplished? My personal belief is that we should end it very quickly, and I believe this can be done. How we end it is of crucial importance. I have said our objective should be to end it leaving a Vietnam economically viable, militarily capable of defending itself with its own manpower, and free to choose its own government and its own leaders. I believe this can be done within the next three years.

I believe that the effect on our power relationships elsewhere in the world of being able to walk away from such a Vietnam with the evidence of American commitments fully discharged may well determine whether our grandchildren may live in a peaceful world or one where senseless violence will be the daily norm. Only those who are incapable of understanding the intricate interplay of the balance of forces now loose in the world, or those who refuse to think about it, will contend that the preceding sentence is other than a dispassionate statement of a simple fact.

I also believe that if the Congress and the people are given the whole truth, we will end our involvement quickly with that objective accomplished.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I was present at the subcommittee meeting when the distinguished Senator from Massachusetts (Mr. KENNEDY) made the first presentation of his amendment. After listening to it and without having had at that time an up-to-date briefing on the whole subject, I said to Senator KENNEDY, "I would not find a lot of difficulty in supporting the amendment." I further said, "I do not think the Defense Department should use domestic inflation as a reason for upping the ceiling."

When I made that statement I felt just exactly as I expressed it. However, since that time, and the full committee having been briefed on the entire concept which has been discussed on the floor today, and which I will not repeat. I have changed my opinion, and I think that the money should be allowed. I do not want to make a long speech on this matter. I will just say briefly that I think it is a question of whether or not we want South Vietnam to stand or fall.

I doubt seriously, too, that \$266 million would answer that question, but if this amendment is adopted and it leads, as it will inevitably lead, to other amendments, that could mean a striking of the entire sum, something the Senator from Massachusetts assured me he does not want to happen. Then, I think we would be in difficulty.

I refer, for example, to an editorial that appeared in this morning's Washington Post—and I might say they have never felt too strongly that Vietnam should stand.

Referring to a letter Secretary Kissinger wrote to Senator KENNEDY—and I have not seen it—I do not know if Secretary Kissinger sent it to anybody else, but the Post probably has seen it—they referred to a characteristic statement made by Secretary Kissinger:

The presence of large numbers of North Vietnamese troops in the south demonstrates that the military threat from Hanoi is still very much in evidence.

I go on to read the editorial:

His plain implication was that Hanoi is violating the peace agreement by keeping troops in the south. Yet the accords permit Hanoi to keep in the south as many troops as it had there in January 1973. By suggesting that Hanoi is doing something it has no right to do, he is implicitly granting Saigon an excuse to take countering steps in its own "self-defense," even though those steps may not be contemplated in the Paris accords. In the aid vote, the Senate has the opportunity to inform the administration whether—and to what extent—it agrees.

Now, I would point out that in the briefings I have had, the North Vietnamese have far greater strength in the South than they had at any time during the actual war. They have completed two paved highways through the South, one going to within 25 miles of Saigon. They have completed a railroad part way down and they have completed a petroleum oil line to points where it could be of advantage to them.

It has been my observation that if we ever withdraw our support from South Vietnam, South Vietnam cannot stand

on its own against the forces of North Vietnam, bolstered as they are by aircraft reaching them from the Soviets through Red China and Hanoi.

So, Mr. President, I do not think the Post really understands what is going on over there. I admit I did not at the time I told Senator KENNEDY I liked his amendment. I think the North is merely awaiting the time when the South does not have ample ammunition to make their major attack.

As I see the military situation over there now it clearly indicates that the North is far stronger in men and equipment and, of much more importance to me, of course, is the fact that their air force has been greatly restructured and reinforced by the advent of the new MIG aircraft, not the most modern aircraft but something they did not have during the war to any extent, aircraft with which they can now fight the very good South Vietnamese air force. They also have constructed many new airfields and rebuilt airfields that had been completely destroyed during the course of the conflict in the Vietnam War.

So while I once agreed in part with the Senator from Massachusetts, I find myself in opposition now.

The VICE PRESIDENT. The Senator's 5 minutes have expired.

Mr. GOLDWATER. I thank the Chair. I was just going to conclude. The Chair is a good observer of time, having been trained properly in the House.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, how much time do we have?

The VICE PRESIDENT. The Senator from Massachusetts has 12 minutes remaining and the Senator from Mississippi has 6 minutes remaining.

Mr. KENNEDY. Mr. President, I yield myself 1½ minutes.

Mr. JAVITS. Mr. President, will the Senator yield for one question?

Mr. KENNEDY. I shall yield to the Senator after I speak for 1½ minutes. I will be happy to yield then.

The VICE PRESIDENT. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, there have been inflammatory statements made here about whether the effect of the impact of this amendment would cut back on the funds that would be available to the Joint Casualty Resolution Center. This is a new argument. When the administration appeared before the House Committee looking for an increase of \$474 million, they never said for one moment they would need this money for the Joint Casualty Center.

Mr. STENNIS. Mr. President, may we have order? Will those who are not Members be still for a while? The Senator is entitled to be heard.

The VICE PRESIDENT. The Senate will be in order.

Mr. KENNEDY. Second, the amendment as stated makes reference to funds which remain unobligated. Funds for the Joint Casualty Center are obligated. The comments of the Senator from Texas are mistaken with regard to the amendment.

I have listened to the argument of the

S 7138

## CONGRESSIONAL RECORD — SENATE

May 6, 1974

Senator from South Carolina and other comments made here. Either the ceilings which are established by Congress have some meaning in terms of authorization or they do not. The American taxpayers are investing their money at the rate of \$42,500 per year in electing each Member of Congress, and they are wasting their money if we go ahead and provide a ceiling which does not have any meaning for the Department of Defense or any other department.

What we have done here is to set the ceiling at \$1.126 billion, and they are trying to increase it by \$266 million.

Then, I hear the argument that if we do not provide the \$266 million we are defaming the 55,000 Americans who lost their lives and the 300,000 who were injured. But those who make that argument do not say anything about the \$2.5 billion we will be spending on Vietnam, or the fact that the administration wants to double economic aid for Vietnam in the next fiscal year and to increase military spending by about one-third.

How long are we going to hear those arguments? We have been hearing them long enough. It is basically because the Defense Department has not proceeded to allocate our resources wisely and has frustrated the will of the Congress.

Finally—

The VICE PRESIDENT. The time of the Senator has expired.

Mr. KENNEDY. I yield myself 1 minute.

The VICE PRESIDENT. The Senator is recognized for 1 additional minute.

Mr. KENNEDY. The General Accounting Office has said that this is probably illegal in the first place, because if we follow the line of reasoning of the Armed Services Committee and say the money is actually for ammunition that came from 1973 funds and that 60 percent of that was delivered in fiscal 1973, that would raise the ceiling which we authorized. The fact is that the initial reports of the GAO show that this is clearly illegal.

I hope the amendment is going to stand. It makes sense. Are we going to comply with a decision that has been made as a result of conferences between the Armed Services Committees of the House and the Senate on putting a ceiling into effect, or are we not?

Mr. JAVITS. Mr. President, will the Senator yield 1 minute for a question?

Mr. KENNEDY. I yield.

Mr. JAVITS. Does the rationale the Senator wishes us to follow in any way involve the question of judgment as to whether or to what extent the United States should back South Vietnam financially, or is it involved in the fact that we are not being asked to pass upon that issue frontally but, rather, in an implied or indirect way, by asking us to authorize money as if we were being asked to pass on the issue? In other words, are we being asked to add \$266 million frankly and frontally because that is desirable because of our interest in South Vietnam, or are we asked to do it in the cover of some accounting which does not let us face the issue?

Mr. KENNEDY. The Senator's latter statement is correct. There is no frontal

facing of the issue. No hearings were held on this \$266 million payback transfer. It is an accounting change.

It is very interesting to listen to the fiscal conservatives say they are willing to authorize this kind of backdoor financing, but when we are talking about the need for programs having to do with poverty, health, and similar issues they sing a different tune.

Mr. JAVITS. And no backdoor spending.

Mr. KENNEDY. I yield 2 minutes to the Senator from Iowa (Mr. HUGHES).

Mr. HUGHES. I thank the distinguished Senator from Massachusetts for yielding.

Mr. President, I would like, by way of beginning, to associate myself with the remarks of the distinguished Senator from Missouri primarily because on that day at that particular committee I had given the Senator from Missouri my proxy, because I was unable to be there. He has stated his own thoughts and his confusion as a result of that procedure. So my proxy must have been voted on that basis.

Mr. President, I welcome this opportunity to join in supporting the amendment proposed by the distinguished Senator from Massachusetts (Mr. KENNEDY) to deny an increase in military aid to South Vietnam.

The issue, as I see it, is a simple one of obeying the law.

Last year the Congress set a ceiling of \$2,735 million for the MASF program, and the Pentagon reported, as required by law, obligations of \$2,713,100,000—that is, all but \$22 million of its authority.

Now the Pentagon claims that \$266 million for ammunition, reported to the Congress for the first time last fall should not be counted against this year's ceiling of \$1.126 billion.

Where should it be reported? I am told that most of those funds properly should be counted against the fiscal year 1973 ceiling, but that would invoke a violation of that restriction on spending.

So now the Pentagon wants us to sanction an ex post facto violation of the law and, in the process, allow over a quarter of a billion dollars more for South Vietnam.

The most charitable interpretation is that the MASF program has the shoddiest bookkeeping in the entire Pentagon. Alternatively, the administration chose to pour money and equipment into Vietnam without regard for the legal restrictions imposed by the Congress.

In any case, I believe that the Defense Department should be held to the letter of the law. And since this extra \$266 million was not reported to the Congress until fiscal 1974, then this program should be held accountable for its reports.

Otherwise, we will be in the position of letting misleading reports to the Congress become justifications for violations of the restrictions we wrote into law.

This year alone, we will spend \$1.852 billion in South Vietnam for all U.S. Government programs, according to the GAO. Our aid comes to 6½ times what

the Thieu government raises for its own budget.

We have built up a massive military machine in South Vietnam, one which have over one-fourth of the male labor force under arms.

And despite the talk of cease-fire violations, the South Vietnamese Government's own figures show that its force have suffered over 40 percent fewer casualties and two-thirds fewer deaths since the cease-fire agreements went into effect.

Reduced violence does not justify increased aid.

Nor should we allow the current scare tactics to force us to capitulate to these demands for more money.

Every time an aid bill is before the Congress, it seems that Saigon starts shouting about a new offensive. We heard it last December; we hear it now.

But just as no offensive took place last winter, I doubt that anything surprising will happen this spring, especially not since the rainy season is about to begin.

A few weeks ago, Saigon trumpeted the "fall" of a ranger base called Tong Le Chan after heavy fighting. U.S. reporters subsequently discovered that the base had been quietly evacuated at night.

As the New York Times reported:

It appeared that President Thieu was superheating the atmosphere of tension in order to increase the chances that a military appropriations bill would be approved in the United States Senate.

Mr. President, I think we have had enough of deceit and manipulation. The time has come to draw the line.

I strongly support this amendment, because I believe it will do that job.

Mr. KENNEDY. Mr. President, I yield the Senator from California a minute and a half.

Mr. CRANSTON. I thank the distinguished Senator.

Mr. President, I urge my colleagues to vote for the Kennedy amendment. I think that nothing less than responsible government is at stake.

In the last year or two, Congress has taken important steps toward self-reform. Improving its budgetary procedures is one of the most crucial.

Even though the mechanism set up by the budget reform bill has not yet come into being, the budgetary review process has already become more effective. The Senate Armed Services Committee offers us a fine example. This year, the target date for the regular military procurement bill is mid-May instead of well into the fiscal year, as it has been in past years. I commend the distinguished chairman of the Armed Services Committee for that new and more rational timetable.

The Kennedy amendment conforms to this spirit of more responsible budgetary review.

Originally, the Pentagon asked the Congress to increase the ceiling on military aid to Saigon from its present level of \$1.126 to \$1.6 billion. But on April 4, the House voted 177 to 154 to keep the ceiling where it is.

May 6, 1974

S 7139

The Senate Armed Services Committee voted to retain the present ceiling as well. But at the same time, the committee approved a change in fiscal year accounting which has the effect of providing an additional \$266 million to South Vietnam—money which the committee says is available because of “inaccurate accounting.”

Mr. President, I have struggled with the Pentagon's accounting system ever since I came to the Senate. I know full well how frustrating it is to try to dig statistics out of the files, only to find that you cannot use them, because they are not consistent. I wholeheartedly agree with the committee's insistence on straightening out the bookkeeping maze surrounding military aid to Saigon.

The effect of reform in this case should have been to tighten the procedure and to close the loopholes. Instead, the immediate result is quite different. Somehow, \$266 million has suddenly materialized, seemingly from nowhere. And unless we pass the Kennedy amendment, the Senate will go on record in favor of mailing that money directly to General Thieu—airmail special delivery.

When I say that responsible government is at stake, I mean this: Congress should not set formal limits on spending at the “front door” and then allow money to go out the back door.

Congressman MAHON, chairman of the House Appropriations Committee, put the matter very succinctly. He said on April 10:

If Congress does not see fit to provide additional funds in a forthright way, then I am not in favor of making funds available by changing accounting procedures or by changing reports, or by any other legerdemain, and I will oppose any attempts to accomplish in committee reports what cannot be accomplished by law.

Mr. President, only 5 months ago, Congress reduced the Pentagon's request for military aid to South Vietnam from \$1.6 to \$1.126 billion. It did so in the appropriate way; namely, through action on the regular fiscal year 1974 military procurement authorization bill.

We should not reverse our decision now—particularly when nothing has happened to justify a supplemental request.

A supplemental funding authorization should not be normal procedure. It should be used only when something major and unexpected has happened, such as the “October War” in the Middle East. It should not be a way of getting around the regular budgetary process.

In this case, there has been no emergency. The “major new offensive” that North Vietnam was supposed to have launched by now has not occurred.

I went back to my files and found that there have been periodic predictions that such an offensive was just about to take place. In November, veteran reporter, Denis Warner, filed a dispatch which began:

North Vietnam is openly preparing to launch its heaviest offensive ever against South Vietnam.

In December, the National Observer quoted unnamed U.S. officials as saying

there was “a strong possibility” of a new offensive by early 1974. In the same month, someone described as a “veteran Vietnam hand” in the State Department told the Chicago Tribune that—

The next couple of months are going to be extremely crucial . . . In that time it will be clear to everyone whether there will be a major offensive.

And General Thieu, who hardly needed any encouragement, announced in January that his army was going on the offensive against Communist base areas in South Vietnam to preempt the possibility of a major new North Vietnamese offensive.

So much for offensives.

In presenting the administration's case to the House Armed Services Committee, Deputy Secretary of Defense William Clements did not haul out the bugaboo of a major new offensive, but talked instead about inflation and high prices.

He said on March 18:

The present ceiling is insufficient to keep up with inflation and price rises.

Now those are things that Americans really understand at this point in time. But Deputy Secretary Clements was not talking about the inflation and high price hitting American consumers so hard. The consumer he was talking about was the South Vietnamese military.

Perhaps it has not occurred to him that Thieu and his generals should do just what the American consumer has had to do—make do with a little less.

Certainly there is no way that this \$266 million is going to help South Vietnam's economy. Nothing which has the effect of fueling the war will help South Vietnam's economy. In fact, the World Bank recently went on record for the first time against considering capital development funds for South Vietnam as long as the war continues.

Similarly, there is no way that this \$266 million is going to help our economy. Actually, it hurts it—for this sort of spending feeds and fuels our own inflation. And certainly this \$266 million would not help American small businesses to weather the energy crisis. It would not build a new factory which would provide jobs. It would not help our elderly citizens to cope with the higher cost of living.

What will it do? It will buy ammunition and aircraft for what the Pentagon calls “H and I”—harassment and interdiction—in a war whose continuation is not in our national interest.

That is why Congress reduced the request for military aid to Saigon last December. Inflation and higher prices—the factors cited by Deputy Secretary Clements in support of more military aid—were live issues then, too. Oil prices, which he also mentioned, had already risen dramatically.

In other words, Mr. President, nothing has changed. We must not rubberstamp back-door funding practices designed in part to get around congressional opposition to military aid.

Sure they have inflation in Saigon. So do we. That is all the more reason why

military aid to Thieu should be going down—rapidly—not up.

If we really want to help South Vietnam, we should remember that our commitment is not to Thieu, but to peace.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator has 3 minutes.

Mr. KENNEDY. I yield 1 minute to the Senator from South Dakota.

The VICE PRESIDENT. The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President I listened to the argument made by the distinguished Senator from Texas that we would be jeopardizing information on our missing men if we restricted military aid to South Vietnam. That is the same old argument that used to be made by President Nixon, that if we did not have such a military operation we would never get our prisoners out. It turned out it was just the opposite. As long as we carried on our military operations, not one single prisoner was released, and it was only after we terminated our military operations that we were able to sit down with the other side and arrange for the release of our prisoners.

None of us knows what the condition is of those men who are missing in action. We are operating in the dark. But it would seem clear that if there was any relevance in this particular issue to our experience, we would be cutting back on the military operations in consequence of opening up negotiations with the other side with regard to the question of men missing in action.

The VICE PRESIDENT. The time of the Senator from South Dakota has expired.

Mr. STENNIS. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator from Mississippi has 6 minutes.

Mr. STENNIS. I yield 3 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I was very interested in the comments of my distinguished friend from South Dakota. He said that the cessation of military activities on our part resulted in the return of the POW's. Obviously the POW's do not believe that way, and obviously that is not the way it happened. The escalation of military activity against North Vietnam in December of 1972 resulted in the termination that resulted from the negotiations that began in January 1973, and that is why the prisoners are home today.

Now, relative to the matters of MIA's, the Senator from Massachusetts has contended that the funds are already obligated. My question would be: Under what obligation and under what specific appropriation are they actually obligated on an open-end basis? They are not. The amendment before us reads:

None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

And whatever the intent of the Senator from Massachusetts is—and I am sure that he did not intend this—the actual effect of his language is so specific that I do not think any court in the land would say that this language does not prevent our maintenance of the joint fund for casualty activities. And therefore, the enactment of this amendment into law constitutes an abandonment of the MIAs. The language is specific. There is no unobligated authority, that is authorized funds appropriated on an open-ended basis. Let us, therefore, understand what we do by this amendment.

Let us, therefore, understand what we do by this amendment.

The VICE PRESIDENT. The time of the Senator from Texas has expired. The Senator from Mississippi is recognized.

Mr. STENNIS. I will be quite brief. Let me refer to this fact. There has been talk about the Pentagon asking for one thing and then shifting to another. This situation was found by Mr. Donald Lynch, a very able and faithful member of the staff of the Armed Services Committee, who did a great deal of the staff work on this bill. He was checking, first, to see if all of the fiscal year 1974 authority had been used up. He was checking back on the prior fiscal years also. And in that checking he found this ammunition situation. And that is why the committee adopted this course. We are going to have the same matter of military aid for South Vietnam up 4, 5, or 6 weeks from now in the large authorization bill.

And my thinking on that is that if they get the \$266 million here, we can well charge them with part of that or all of it in the big authorization bill.

Now, all the way through we have had criticism of the Pentagon for handling this money. But all the way through the Congress had to yield to the fact that they were operating under battlefield conditions. We allowed estimates to be used. We did not require obligations as we ordinarily do in good accounting practices. We allowed estimates to be used, because the battle was going on in a dozen different places. We were sending shells, rifles, and gasoline from our Army to their army day after day and night after night.

So, these were the circumstances. These estimates were the only thing that we required. And that is why they vary.

We do not find that the General Accounting Office has condemned this matter. They have told us, through our staff, as late as today, that they had formed no kind of conclusions about this matter, that they had to find out about this matter for themselves.

So, I hope that this vote does not go on what the GAO says. They have not said anything.

Again, I emphasize that this matter is coming back before the Senate—the Congress—as it will necessarily have to in the other bill. And the supply is so thin now that they emphasize it is down to what they call the 90-day inventory. And certainly we are not going to let them use up all of that.

The VICE PRESIDENT. All of the time of the Senator from Mississippi has expired.

Mr. HUMPHREY. Mr. President, is any time left on amendments or on the bill?

The VICE PRESIDENT. The Senator from Massachusetts has 1½ minutes remaining.

Mr. HUMPHREY. Mr. President, may I have 1 minute?

Mr. KENNEDY. Mr. President, could I have 2 minutes on the bill from the Senator from Mississippi?

Mr. STENNIS. That will be satisfactory.

Mr. KENNEDY. Mr. President, I yield 2 minutes on the bill to the Senator from Minnesota.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I have supported military assistance to South Vietnam. I have supported economic assistance to South Vietnam. I did so because I thought it was right. However, I do believe that if the Pentagon needs more money, it should not be found in a bookkeeping transaction. They can request an authorization. They failed to do so and the House of Representatives turned them down.

We cannot afford to let the Pentagon juggle the books on the basis of using the taxpayers' funds for that basis on that or on any other basis.

We do not permit it with any other department, and we cannot afford to do it with this one.

I shall with great reluctance, support this amendment. I do not want to see South Vietnam in trouble. However, we have poured our resources in there. And the fact of the matter is that just prior to the cease-fire, we poured our resources in there as fast as they could be put on the docks in South Vietnam.

I have introduced and we have adopted in the Foreign Relations Committee an amendment to the foreign aid measure that directs the Secretary of State to submit to the Committee on Foreign Relations of the Senate and the Speaker of the House within 120 days after the enactment of the authorization, a detailed plan for the future of U.S. economic and military assistance to the Government of South Vietnam, including a specific timetable for phased reduction of such assistance, to the point when the United States will cease to be the principal source of funds and materiel for South Vietnam's self-defense and economic viability.

Now, why? Not because I am opposed to assistance. In fact, I want us to develop a plan for a phased reduction. However, I think it is wrong for the people in the Pentagon to decide what they will spend and then spend at a higher figure than that authorized by the Congress.

This is reverse impoundment. When the President disapproves of a program voted by Congress, he refuses to spend the money. When the Pentagon believes it needs more funds, it seems willing to violate the Anti-Deficiency Act and allocate more than the Congress has authorized.

I believe the Senate must express its condemnation of such spending practices which violate the intent of this body as to the allocation of funds.

The Pentagon has overspent for the MASF program. Now they ask:

"We need help. Bail us out." I do not think it will be necessary between now and the end of the fiscal year. I am perfectly willing to take a good look at fiscal year 1975 when the matter is before us. I have supported foreign aid. And I have managed that bill on the floor, and I am perfectly willing to do it again. However, I am not prepared to see the administration ignore the intent of the Congress concerning appropriated funds. And defy the Anti-Deficiency Law. That is the issue before us. And that is why I support the amendment offered by Senator KENNEDY.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the majority leader.

Mr. MANSFIELD. Mr. President, I have no hesitation and no reluctance whatsoever in supporting the amendment of the Senator from Massachusetts (Mr. KENNEDY).

It has been said on the floor of the Senate this afternoon: "If anyone has made a mistake, he should be allowed to correct it."

I agree completely. I think the war in Southeast Asia and South Vietnam was one of the greatest tragedies that have ever struck this country in the field of foreign affairs. I think it was unrealistic as well as tragic.

What has come out of that war? 55,000 dead, sent home in flag-shrouded coffins; 303,000 wounded. Among those 303,000 wounded, somewhere between 25,000 and 30,000 were paraplegics and quadriplegics.

Do we want to forget that these men died? Do we want to know what they died for? Was it in defense of this country?

I served in a war. I was not much in the way of rank. However, when I served, I served in defense of my country.

Was the war to stop communism in Southeast Asia? What was it for? Mi Lais? The destruction of a society and the creation of a refugee class? The use of herbicides to destroy forest lands?

What was it for? We will never forget Vietnam, at least I never will, because it is a stab wound in the heart of America. It is an episode in which this country should never have become involved. It was an involvement in a civil war, and we have paid a tremendously high price.

Yes, when you make a mistake, admit it; and they way to do that is to get out, get out of South Vietnam, Cambodia, Laos, and Thailand, and the sooner the better as far as this country and those countries are concerned.

I ask unanimous consent that estimates of the total cost of American wars, by rank, contained in the Statistical Abstracts of the United States, 1973, 93d Congress, 1st Session, House Document 93-184, a U.S. Department of Commerce publication issued, I believe, by the Official and Economic Statistics Administration of the Bureau of the Census, be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:



May 6, 1974

## CONGRESSIONAL RECORD — SENATE

S 7141

## NO. 408.—ESTIMATES OF TOTAL COST OF AMERICAN WARS, BY RANK

[In millions of dollars, except percent]

War	Estimated ultimate costs	Original war costs <sup>1</sup>	Veterans' benefits		Total costs to 1973 <sup>2</sup>	Estimated interest payments on war loans	
			Total costs under present laws <sup>3</sup>	Percent of original war costs		Total	Percent of original war costs
World War II	664,000	288,000	290,000	100	96,447	86,000	30
Vietnam conflict <sup>4</sup>	352,000	128,000	220,000	200	7,271	22,000	20
Korean conflict	164,000	54,000	99,000	184	16,960	11,000	20
World War I	112,000	26,000	75,000	290	52,411	11,000	42
Civil War (Union only)	12,952	3,200	8,580	260	8,572	1,172	37
Spanish-American War	6,460	400	6,000	1,505	5,526	60	15
American Revolution	190	100	70	70	70	20	20
War of 1812	158	93	49	53	49	16	17
Mexican War	147	73	64	88	65	16	14

<sup>1</sup> Based on expenditures of Departments of the Army and Navy to World War I and major national security expenditures thereafter. Usually the figures begin with the year the war began but in all cases they extend 1 year beyond the end of the actual conflict. See, "Historical Statistics of the United States, Colonial Times to 1957," series Y 351-352 and Y 358.

<sup>2</sup> To World War I, estimates are based on Veterans' Administration data. For World War I, World War II, and Korean conflict, estimates are those of the 1956 report of the President's Commission on Veterans' Pensions plus 25 percent (the increase in the average value of benefits since the Commission made its report).

<sup>3</sup> Source: U.S. Veterans Administration, "Annual Report of Administrator of Veterans' Affairs."

<sup>4</sup> Estimates based on assumption that war would end by June 30, 1970 (except for original war costs and for veterans benefit costs to 1973).

<sup>5</sup> Estimated Department of Defense expenditure in support of Southeast Asia for fiscal year 1965 to 1972.

<sup>6</sup> Medium-level estimate of 200 percent (high, 300; low, 100) based on figures expressing relationship of veterans' benefits payments to original costs of other major U.S. wars.

<sup>7</sup> Medium-level estimate of 20 percent (high, 30; low, 10) based on figures showing interest payments on war loans as percentage of original costs of other major U.S. wars.

Source: Except as noted, U.S. Congress, Joint Economic Committee, "The Military Budget and National Economic Priorities," pt. 1, 91st Congress, 1st sess. (Statement of James L. Clayton, University of Utah.)

Mr. BUCKLEY. Mr. President, today the Congress has an opportunity to express its resolve to support the Vietnam peace accords signed in 1973. Specifically I refer to the obligation we undertook to supply replacement military hardware on a one-to-one basis to the South Vietnamese.

One cannot overestimate the significance of this provision for the maintenance of the integrity of the cease-fire agreement. Although combat has continued to take place since the accords were signed, there has been a substantial reduction in activity when compared to the situation which obtained prior to the signing of the accords. To maintain the uneasy peace which has existed since January of 1973, it is essential that the military balance in the region be maintained. During the past year, in the Middle East, we have witnessed a tragic example of the consequences of the erosion of a military balance when the Arab military buildup made an attack on Israel an inviting opportunity.

The uneasy peace which has been maintained in Southeast Asia has removed this area as a direct source of superpower confrontation. If the United States should fail to maintain an adequate level of military assistance as provided in the pending bill, the uneasy cease-fire would almost certainly turn into full-scale war because South Vietnam would provide an inviting target if in a weakened military state as a result of a shortage in military supplies.

Finally, for us to reach so important an undertaking could have far-reaching consequences. The credibility of American undertaking in other parts of the world would inevitably be brought into question. The implications of a default can have reverberations that reach far beyond the boundaries of South Vietnam.

The interests of the United States clearly call for a strong demonstration of support for this continuing program

of military assistance. I, for one, will support this necessary assistance.

Mr. ABOUREZK. Mr. President, it is heartening to know that in this day and age necessity can still be the mother of invention. The old saw has not been so well exemplified in years as recently in the fortunate discovery that the Department of Defense had "misaid" at least \$266 million. The \$36,000 a year accountants claim to have found the quarter of a billion dollars just in the nick of time for use as supplemental aid money to South Vietnam during the remaining 2 months of this fiscal year.

Certainly this "newfound 266 million dollar" mystery is as challenging to the mind as the 18½-minute tape gap and other puzzles which have emanated as of late. How can anyone mislay \$266 million? Better yet, how in the nick of time, with their backs to the wall, did they happen to find it just now? There is more than an air of sheer coincidence attached to the roots of this story, I fear.

It is interesting that, in the shadow of the sharp refusal by the House to go along with the original \$476 million request, the Pentagon has now discovered a chunk of money already signed, sealed and delivered to DOD by the Congress back in 1972.

Mr. President, I am convinced that if this issue were taken to the American people, they would overwhelmingly refuse to send an additional \$266 million—or any amount—to South Vietnam in the remaining 2 months of this fiscal year. Already the United States spends more than 10 times as much helping South Vietnam, with a population of 19 million, than it spends aiding just three of its Asian neighbors—India, Pakistan, and Bangladesh—with more than 35 times South Vietnam's population.

The truth of the matter is that this additional amount is needed by the Thieu regime to finance the next 2 months of our "peace with honor" in that war-ravaged place. Everyone, of

course, knows by now that there is neither peace nor honor over there. The blood-soaked tragedy of the sixties and early seventies is haunting us now more than ever. Our latest blackmail payment—the payoff so to speak so they leave us alone—is now \$266 million. A sale price you might say considering the original request was for \$476 million.

Mr. President, the Vietnam war has continued steadily and has even escalated in violence in recent months. With reports that Saigon's war effort would have to be curtailed, the Pentagon had apparently promised General Thieu another half billion dollars. When the House balked, I believe that the Pentagon simply moved then to "Option No. 2". Who knows how many more options they had up their sleeves had they needed them.

The DOD position has been and continues to be, that we support a struggling government trying desperately to establish a democracy. Yet, it is clear from reports of recent months that the elements of repression that reflect a cruel military dictatorship have never been more obvious. Thieu and his regime are rapidly abandoning even lipservice to democracy. There is complete suppression of dissent and arrests are as common as parking tickets in this country.

Most disturbing of all, however, is the torture that is routine upon arrest and the horrible maltreatment which continues to be the norm. According to one reporter who recently talked with a South Vietnamese police official, he admitted that—

We torture the guilty and they confess. we torture the innocent until they become guilty.

Mr. President, a statement such as this only illustrates the erosion of whatever remnants of democracy there may have been at one time in South Vietnam.

The unfortunate fact of life, however, is that without the massive injections of U.S. financial support, this corrupt regime could fall in an instant. What troubles me, however, is that, while everyone knows this, we continue to go on living in some kind of myth that things will one day change. I believe that nothing could be further from the truth. Nothing will change until this country decides that the \$2½ billion we insist on giving to Saigon could actually be better served at home on programs in this country.

In fact, I am not so sure that even the Vietnamese people would not rather have it that way.

The people in Vietnam believe that without our paternalistic and overwhelming presence, they can work out their own destiny and find a future in which the wounds of war will one day be healed. They plead with us in the Congress to give them the right to work out this destiny and to allow them the responsibility of true self-government.

Even more importantly, I would add that the quarter of a billion dollars which has been so conveniently overlooked by the Pentagon is desperately needed for programs right here at home. I can guarantee that you would not find



S 7142

## CONGRESSIONAL RECORD — SENATE

May 6, 1974

266 million in "misaid dollars" in programs for Vietnam veterans, Indian health services or in rural housing programs.

It is obvious, Mr. President, that these funds have not been spent, primarily because they were not needed in the first place. I believe that now that the money has been found, rather than turning the money over to the Thieu treasury, it ought to be put back in the U.S. treasury where it belongs.

If the Pentagon cannot find anything better to do with the funds than to give it to General Thieu, we ought to save it or use it on programs here at home.

Mr. McGEE. Mr. President, I would have to oppose the amendment being offered to cut \$266 million from the Department of Defense's military assistance service funded program.

I oppose the amendment because the \$266 million does not violate the MASF ceiling authorized and appropriated by the Congress. The MASF obligations reported in the first quarter of fiscal year 1974 include \$266 million for payback ammunition for U.S. inventories. This ammunition replaced that which was paid for with moneys authorized in prior years and was, in fact, delivered to South Vietnam in 1972 and 1973.

If, indeed, there had been a violation of law, I would have to support the amendment striking \$266 million from the Department of Defense's MASF program. However, the case for such a violation has not been made.

In addition, today's tenuous balance of forces in South Vietnam must be maintained to lead the North Vietnamese and Vietcong to the recognition that their objectives are better served through peaceful political means than through force of arms. This is being impaired by a reduction in purchasing power to provide the South Vietnamese with the capability for self-defense. This reduction in purchasing power is the result of international economic events which were unforeseen last year when the Congress considered the MASF request.

The South Vietnamese Government is facing dramatically increased fuel prices. Inflation of about 65 percent in Vietnam and significant equipment prices increases in the United States have reduced the purchasing power of the funds available under the current ceiling.

Denial of the \$266 million adjustment recommended by the Senate Armed Services Committee would certainly create grave problems for South Vietnam.

In conclusion, I would reemphasize that had an actual violation of law occurred, I would have to support this amendment. However, the \$266 million would not break the congressionally-imposed ceiling of \$1.126 billion for the MASF program.

The VICE PRESIDENT. All time on the amendment has expired.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, I move to lay on the table the amendment of the Senator from Massachusetts, and I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the amendment (No. 1238) of the Senator from Massachusetts (Mr. KENNEDY). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WEICKER (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSON), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. METCALF), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), and the Senator from Ohio (Mr. METZENBAUM) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Ohio (Mr. TAIT) are necessarily absent.

I also announce that the Senator from Arizona (Mr. FANNIN) is absent on official business.

The result was announced—yeas 39, nays 41, as follows:

[No. 179 Leg.]

YEAS—39

Allen	Domenici	McGee
Allen	Dominick	McIntyre
Baker	Eastland	Nunn
Bartlett	Fong	Roth
Beall	Goldwater	Scott,
Belmont	Griffin	William L.
Brock	Gurney	Stafford
Buckley	Helms	Stennis
Byrd,	Hollings	Stevens
Harry F., Jr.	Hruska	Talmadge
Cannon	Jackson	Thurmond
Cotton	Johnston	Tower
Curtis	McClellan	Young
Dole	McClure	

NAYS—41

Abourezk	Huddleston	Nelson
Bible	Hughes	Pastore
Biden	Humphrey	Pearson
Brooke	Inouye	Pell
Burdick	Javits	Percy
Byrd, Robert C.	Kennedy	Proxmire
Case	Magnuson	Randolph
Clerk	Mansfield	Ribicoff
Cook	Mathias	Schweiker
Cranston	McGovern	Stevenson
Eagleton	Mondale	Symington
Hart	Montoya	Tunney
Haskell	Moss	Williams
Hatfield	Muskie	

PRESENT AND GIVING A LIVE PAIR, AS

PREVIOUSLY RECORDED—1

Weicker, against

NOT VOTING—19

Bayh	Fulbright	Metzenbaum
Bennett	Gravel	Packwood
Bentsen	Hansen	Scott, Hugh
Chiles	Hartke	Sparkman
Church	Hathaway	Taft
Ervin	Long	
Fannin	Metcalf	

So the motion to lay on the table was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSON), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL) and the Senator from Ohio (Mr. METZENBAUM) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Ohio (Mr. TAIT) are necessarily absent.

I also announce that the Senator from Arizona (Mr. FANNIN) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAIT) would vote "nay."

The result was announced—yeas 43, nays 38, as follows:

[No. 180 Leg.]

YEAS—43

Abourezk	Hughes	Pearson
Bible	Humphrey	Pell
Biden	Inouye	Percy
Brooke	Javits	Proxmire
Burdick	Kennedy	Randolph
Byrd, Robert C.	Magnuson	Ribicoff
Case	Mansfield	Schweiker
Clark	Mathias	Stafford
Cook	McGovern	Stevenson
Cranston	Mondale	Symington
Eagleton	Montoya	Tunney
Hart	Moss	Weicker
Haskell	Muskie	Williams
Hatfield	Nelson	
Huddleston	Pastore	

NAYS—38

Aiken	Domenici	McGee
Allen	Dominick	McIntyre
Baker	Eastland	Nunn
Bartlett	Fong	Roth
Beall	Goldwater	Scott,
Belmont	Griffin	William L.
Brock	Gurney	Stennis
Buckley	Helms	Stevens
Byrd,	Hollings	Talmadge
Hruska	Jackson	Thurmond
Harry F., Jr.	Johnston	Tower
Cannon	McClellan	Young
Cotton	McClure	
Curtis		
Dole		

May 6, 1974

## CONGRESSIONAL RECORD — SENATE

S 7143

## NOT VOTING—19

Bayh	Fulbright	Metzenbaum
Bennett	Gravel	Packwood
Bentsen	Hansen	Scott, Hugh
Chiles	Hartke	Sparkman
Church	Hathaway	Taft
Ervin	Long	
Fannin	Metcalf	

So Mr. KENNEDY's amendment was agreed to.

Mr. SYMINGTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The committee amendment, as amended, was agreed to.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2999) was passed, as follows:

## S. 2999

An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93-155 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

## AIRCRAFT

For aircraft: for the Army, \$15,000,000; for the Navy and the Marine Corps, \$37,600,000; for the Air Force, \$120,900,000.

## MISSILES

For missiles: for the Army, \$47,100,000; for the Navy, \$17,000,000; for the Marine Corps, \$22,300,000; for the Air Force, \$22,900,000.

## TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$12,000,000.

## OTHER WEAPONS

For other weapons: for the Army, \$8,000,000.

## AUTHORIZATION TO TRANSFER FUNDS

SEC. 102. In addition to the funds authorized to be appropriated under section 101 of this Act, there are authorized to be made available by transfer during the fiscal year 1974 to the Department of Defense, out of any unexpended funds appropriated under the heading "Emergency Security Assistance for Israel" in title IV of the Foreign Assistance and Related Programs Appropriation Act, 1974, the following:

## AIRCRAFT

For aircraft: for the Navy and the Marine Corps, \$63,600,000; for the Air Force, \$33,900,000.

## MISSILES

For missiles: for the Army, \$19,200,000.

## TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$38,900,000.

## OTHER WEAPONS

For other weapons: for the Army, \$200,000.

## TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93-155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, \$35,898,000.

For the Navy (including the Marine Corps), \$38,528,000;

For the Air Force, \$29,466,000; and

For the Defense Agencies, \$5,016,000.

## TITLE III—MILITARY CONSTRUCTION

SEC. 301. In addition to the funds authorized to be appropriated under Public Law 93-166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed \$3,866,000.

SEC. 302. The authorization contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93-166), in the same manner as if such authorization had been included in that Act.

## TITLE IV—PROHIBITION ON CERTAIN USE OF FUNDS

SEC. 401. None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SYMINGTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## SECOND SUPPLEMENTAL APPROPRIATIONS, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 781, H.R. 14013, that the bill be laid before the Senate and made the pending business.

The PRESIDING OFFICER (Mr. DOMENICI). The bill will be stated by title. The bill was read by title as follows:

A bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

The PRESIDING OFFICER. Under the previous order the Senate will proceed to consider the bill.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Arkansas is recognized. How much time does the Senator yield himself?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is the time controlled?

The PRESIDING OFFICER. Under the previous order, there will be 2 hours on the Schweiker amendment, 1 hour on other amendments, with the time to be equally divided and controlled.

Mr. McCLELLAN. I was not consulted about the agreement. I did not know about it.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, the Committee on Appropriations recommends in the pending measure a grand total of \$9,645,935,398 in new budget obligatory authority for fiscal 1974.

This amount is an increase of \$834,273,355 over the \$8,811,662,043 provided by the House and is a reduction of \$1,454,594,679 from the revised budget estimates of \$11,100,530,077.

Included in these totals is the \$530 million estimated cost of the fiscal 1973 retroactive pay increase, provision for which is recommended to the Senate in Senate document 93-72. Inasmuch as an indefinite appropriation is recommended the exact effect on new obligatory authority is not known at this time. An explanation of this 3-month retroactive pay increase is found on page 149 of the report.

Of the total amount of \$9,645,935,398 recommended in the bill as reported, \$3,910,443,595 is to finance increased pay and related costs, and is included in titles II and III.

The committee also recommends transfers between appropriations totaling \$295,118,800 in lieu of providing new budget authority in these amounts. The amount provided in transfer authority is \$212,155,200 more than the total requested and \$225,221,000 more than the House bill provides.

Rather than detail every item in the bill, I will briefly summarize the major highlights contained in each chapter of title I, the general program supplemental.

Chapter I, agriculture, environmental and consumer protection, provides for new budget authority of \$616,641,000, which is \$40,991,000 more than the budget estimate and \$56,411,000 more than provided in the House bill. The increase over the budget estimate is represented in two items—\$26,161,000 for the Soil Conservation Service, and \$15,000,000 for the school lunch program.

Chapter II of the bill and the title II of the Department of Defense provide fiscal year 1974 supplemental funds in the amount of \$4,906,871,000. This is \$1,293,550,000 below the initial budget request and